

Accountancy

ESTABLISHED 1889



UNIVERSITY
OF MICHIGAN
MAY 7 - 1959
BUSINESS ADMINISTRATION
LIBRARY

Contracting Out

•

What Set-up for Unit Trusts?

•

Problems in Profits Tax

THE JOURNAL OF
THE INSTITUTE OF CHARTERED ACCOUNTANTS
IN ENGLAND AND WALES

FEBRUARY 1959

PRICE 2s. 6d.

The Institute of Chartered Accountants in England and Wales

Incorporated by Royal Charter May 11, 1880

President:

WILLIAM LEONARD BARROWS, LL.D., J.P., F.C.A., BIRMINGHAM

Vice-President:

CHARLES URIE PEAT, M.C., M.A., F.C.A., LONDON

Secretary:

ALAN SQUAREY MACIVER, M.C., B.A.

Assistant Secretaries:

C. H. S. LOVEDAY, A.C.A. F. M. WILKINSON, A.C.A.

I. A. F. CRAIG, O.B.E., B.A. W. M. ALLEN, B.A.

Secretary to the Taxation and Research Committee:

L. J. H. NOYES, B.SC.(ECON.), A.C.A.

Accountant:

M. G. J. HARVEY, A.C.A.

Appointments Officer:

F. H. H. FINCH, B.A.

Chief Clerk:

H. J. POTTS

Librarian:

H. W. THOMSON

Hall, Library and Offices:

MOORGATE PLACE, LONDON, E.C.2

There are district societies of members of the Institute, with headquarters in fourteen centres throughout England and Wales.

Members are not allowed to advertise or circularise for business. The observance of strict rules of conduct has always been a condition of membership.

Editor of ACCOUNTANCY:

LEO T. LITTLE, B.SC.(ECON.)

Editorial and Advertisement Offices of ACCOUNTANCY:

23 ESSEX STREET, LONDON, W.C.2

The editorial and contributed articles and notes in ACCOUNTANCY cover a wide range of subjects and are selected for their general interest. The views expressed are not necessarily shared by the Council of the Institute of Chartered Accountants in England and Wales.

ACCOUNTANCY

To: The Secretary, Institute of Chartered Accountants in England and Wales, Moorgate Place, London, E.C.2

Please send me twelve issues of *ACCOUNTANCY*, commencing with that for.....19....

I enclose cheque/money order/postal orders for { £1.10s.0d. *Full rate*
15s.0d. *Student's concessionary rate*

This is a { *new*
renewed } subscription.

Name
BLOCK LETTERS PLEASE

Address

Date.....

Remittances should be made payable to ACCOUNTANCY in London and crossed "Lloyds Bank Ltd."

This part to be filled in if the student's concessionary rate of 15s. is claimed

I am serving under articles of clerkship / undergoing qualifying service with

.....
(Name of principal or employer)

Such service ends on
(Date)

Date..... Signature.....

Report & Account

PRINTERS

DESIGNERS AND TYPOGRAPHERS OF
ILLUSTRATED BALANCE SHEETS.
FINE ART AND COLOUR PRINTERS

DAY AND NIGHT SERVICE

Greenaways

69 OLD BROAD STREET, E.C.2

Telephone: LONdon WAll 7525 (20 lines)

**JOHN FOORD
& COMPANY**

Established over a century

**RE-VALUATION
OF ASSETS**

**BUILDINGS,
PLANT and MACHINERY**

**56 VICTORIA STREET
LONDON, S.W.1**

Victoria 2002/3/4

Latest Examination Results

At the Examinations of the INSTITUTE OF CHARTERED ACCOUNTANTS held in
NOVEMBER 1958

Pupils of

H. FOULKS LYNCH & CO. LTD.

The Accountancy Tutors

obtained

THE FIRST EIGHT PLACES and the ELEVENTH PLACE (Final)

and

ALL THE TWENTY-FIVE HONOURS (Intermediate)

The consistent high level at which the company's tutorial services are being maintained is evidenced by the fact that in the TEN EXAMINATIONS held by the INSTITUTE during the past FIVE YEARS over 80 PER CENT. of the successful candidates, including 251 out of 269 HONOURSMEN, were FOULKS LYNCH pupils.

Apply for SYLLABUS OF TUITION to the Secretary

80a COLEMAN STREET, LONDON, EC2

Telephone: MONarch 2487 (3 lines)

COMPANY FORMATION

FOR SERVICE AND SATISFACTION

you cannot do better than use one of
the five DAVY COMPANY OUTFITS
coupled with the DAVY SERVICE for
your next company formation.

Write for full details and a draft copy of
Memorandum and Articles of Association,
settled by Counsel, to:

**CHAS. DAVY & CO.
LIMITED**

Company Registration Agents

Head Office
3-11 PINE STREET, LONDON, EC1
Telephone Terminus 6267 (5 lines)

City Branch
11 MASON'S AVENUE, LONDON, EC2

THE WORLD'S GREATEST BOOKSHOP

FOYLES
* * FOR BOOKS * *

“Your customers are as fascinating as
your books! In half-an-hour at Foyles you
can see people from almost every country
in the world—people of every colour,
every race, every nationality. It is a
wonderful bookshop.”

—A Member of Parliament

STOCK OF OVER 3 MILLION VOLUMES

119-125 CHARING CROSS RD LONDON WC2

Gerrard 5660 (20 lines) ★ Open 9-6 (Mon. & Thur. 9-7)

Nearest Station: Tottenham Court Road

84-152205

Accountancy

The Journal of THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES

ESTABLISHED 1889

Incorporating ACCOUNTING RESEARCH

VOL. LXX

FEBRUARY 1959

NUMBER 786

The annual subscription to ACCOUNTANCY is £1 10s., which includes postage to all parts of the world. The price of a single copy is 2s. 6d. (by post, 3s.). The publication day is the twentieth of the month (the day before if the twentieth is a Sunday).

Editorial and Advertisement Offices: 23 Essex Street, London, W.C.2.

CONTENTS

PROFESSIONAL NOTES

- 59 An Inert Body
- 60 The New Pensions Bill and P.A.Y.E.
- 60 Government Finance in D.A.T.A.C. Areas
- 60 Thirteenth Summer Course
- 60 Richard Alfred Witty
- 61 New Member of Council
- 61 Bank Charges Examined
- 62 Financial Regulations by Local Authorities
- 62 Jointness in Costs
- 63 Ending of a Price Agreement
- 64 A New Way with Depreciation
- 64 The Auditor and Internal Control
- 65 The "Reconynge" of Spain
- 65 What the Ratepayers Owe

SHORTER NOTES

- 67 Directors' Duties

LEADING ARTICLES

- 68 Contracting Out
- 70 What Set-up for Unit Trusts?
- 73 Transfers of Property on Company Amalgamation
- 75 On Working to Rule

TAXATION ARTICLES

- 77 Taxing the Pen
- 80 Problems in Profits Tax

TAXATION NOTES

- 84 Working Papers in Back Duty Cases
- 84 More on *Gourley*
- 85 Check Traders
- 85 Meal Vouchers Again
- 85 Domicile
- 86 Section 38
- 86 Capital Expenditure on Agricultural or Forestry Buildings and Works
- 87 Settlements and Income Tax
- 87 Extra-Statutory Concessions
- 87 "One Trade or Business" for Profits Tax
- 88 Ideas for the Chancellor
- 89 RECENT TAX CASES
- 94 TAX CASES—ADVANCE NOTES

FINANCE

- 96 The Month in the City
- 97 Points from Published Accounts

LETTERS TO THE EDITOR

- 98 Investments at Market Value
- 98 Accountants and Youth Clubs
- 98 Accounting for Contracts
- 98 Accounting Fun

READERS' POINTS AND QUERIES

- 99 Discretionary Trusts
- 99 Wife's National Insurance Contribution

- 99 Initial Allowances for Motor Lorry

LAW

- 100 Legal Notes
- 100 An Accountant's Guide to Recent Law

PUBLICATIONS

NOTICES

THE STUDENT'S COLUMNS

- 105 Maintenance Claims
- 106 Auditing in Practice—II
- 108 On Witnessing a Will

THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES

- 109 Meetings of the Council
- 112 Findings and Decisions of the Disciplinary Committee
- 112 Members' Library
- 113 Results of Institute Examinations
- 119 Results of Society Examinations
- 121 Training and Recruitment
- 121 Northern Students' Dinner
- 121 Leeds Students' Dinner
- 122 Examinations—May, 1959
- 122 District Societies
- 123 Students' Societies
- 123 Forthcoming Events
- 126 Personal Notes
- 126 Removals

Professional Notes

An Inert Body

IN ITS TWENTIETH year, enfeebled and disrespected for some time past, the Capital Issues Committee has at last been bereft of almost all its functions. Persons, firms and companies in the United Kingdom can now borrow money and issue shares up to any figure without obtaining Treasury consent through the Committee. It is the first time since the outbreak of World War II that this freedom has been enjoyed by the British economy. The removal of an irksome control, which has had no rational backing in recent months at least—some would say "in recent years" and others would even say "for many years"—will be generally applauded. However, the Committee itself remains in being. The only powers it now has are over borrowings or share issues from outside the United Kingdom amounting to over £50,000 in any

one year. This remnant of the control could have been exercised without the Committee, which clearly remains in existence only against the possibility of the domestic control being reimposed at some future time.

Treasury consent is still needed for domestic issues of redeemable bonus shares or debentures for more than £50,000 in a year, but solely as a check on tax avoidance. Applications are sent direct to the Treasury, and the Committee is not concerned with them. Borrowers of trustee status, mainly the local authorities, must still obtain the sanction of the Bank of England on the terms of issues exceeding £50,000, and industrial issues exceeding £1 million must be similarly agreed for timing. However, these two requirements are not rightly regarded as a capital control: their aim is to keep the markets working smoothly.

The New Pensions Bill and P.A.Y.E. THE NATIONAL INSURANCE BILL proposes that the graduated contributions of 4½ per cent. each which are to be paid by employer and employee on weekly earnings between £9 and £15 shall be collected through the P.A.Y.E. system. Power is also taken to collect in the same way other contributions under the National Insurance, Industrial Injuries and National Health Service schemes but the Ministry contemplates that, at least initially, only the graduated contributions will be so collected. The remuneration on which graduated contributions are to be calculated will, in general, be the same as that ranking for deduction of tax under P.A.Y.E.

The proposals for deducting fluctuating amounts under the P.A.Y.E. system have been criticised as likely to involve an extra set of tables and an extra column in tax cards, returns, etc., and as of doubtful practicability. It is envisaged also that when special bonuses are paid, particularly if more than one employer is involved, there will be further complications.

While we anticipate that the system may result in more end-year Schedule E assessments having to be issued, we cannot make real comment until we have seen the regulations by which the Bill (when an Act) is to be made to work. We should have liked these to be before Parliament when the Bill is discussed. In the meantime we cannot imagine that a scheme has not already been drafted which the Inland Revenue regards as workable; the success that the P.A.Y.E. system has had, in the face of the failure anticipated by many at its inception, is to be borne in mind!

Some commentators have taken the line that it would be better if the cumulative system of P.A.Y.E. were to be used, rather than the week-by-week system now proposed. The Bill, as now drafted, would not seem to allow of regulations on the cumulative system. And that system would also involve problems; for example, while an employee carries with him from one employer to another any temporary overpayment of tax and it is automatically adjusted by the

new employer, the old employer's half of any overpayment of graduated contributions could not be easily adjusted *vis-à-vis* the new employer.

Government Finance in D.A.T.C. Areas

SIXTY THOUSAND BUSINESSES throughout the country have received a letter and a pamphlet from the Parliamentary Secretary to the Board of Trade telling them of government finance available in areas of high unemployment. These areas, labelled "D.A.T.A.C." after the Development Areas Treasury Advisory Committee, are at the present time ones with unemployment of 4 per cent. or more. They range from large industrial centres where local industry cannot absorb the population, often because of a change in the industrial pattern, as in West South Wales and Dundee; through areas such as the Highlands of Scotland and North Wales, with little industrial scope; to holiday resorts with an acute unemployment problem in the winter. The finance is provided under the Distribution of Industry (Industrial Finance) Act of last year.

Any business may apply for a grant or loan to help it to move into or to extend in one of the areas. It has to show that it is sound, is likely to succeed if it gets financial aid and is unable to get it from banks or other sources. The usual form of assistance is by way of loan, but annual grants are made to help meet the interest on money borrowed commercially or for initial expenses such as site clearance or the training of new labour. Businesses of all sizes and of all kinds—offices and hotels, for example, as well as factories—are eligible.

Particulars can be obtained from the Secretary of the Development Areas Treasury Advisory Committee, Treasury Chambers, Great George Street, London, S.W.1.

Thirteenth Summer Course

AS ANNOUNCED IN our last issue, the thirteenth summer course of the Institute of Chartered Accountants in England and Wales will be held at Christ Church and Merton Col-

lege, Oxford, from July 9 to 14, 1959. Application forms have been sent to members of the Institute. The closing date of application is February 28. The fee for the course is £11, inclusive of accommodation and meals in college; an additional fee of 10s. is payable by members staying until the morning of July 15.

There will be formal and informal addresses, and group discussions promoting that free exchange of views and experiences which is an essential feature of the course. The programme will also provide for recreation and social activities.

The formal papers to be presented are *Business Efficiency—the Part of the Accountant*, by Mr. C. I. Bostock, M.A., F.C.A.; *Accounting by Electronic Methods, with Particular Reference to the Auditor*, by Mr. J. W. Margetts, F.C.A.; and *Some Practical Aspects of Death Duties*, by Mr. B. G. Rose, F.C.A.

Mr. Basil Smallpeice, B.COM., A.C.A., managing director of *British Overseas Airways Corporation*, will give an informal talk on a subject of his own choosing.

Richard Alfred Witty

Mr. E. Cassleton Elliott, C.B.E., F.C.A., writes:

FELLOW-MEMBERS OF the accountancy profession will mourn with me the death of Mr. Richard Alfred Witty, F.C.A., on January 20 at the age of seventy-nine. There has passed from us one who in kindness, steadfastness of purpose, forthright sterling integrity and—in these columns, especially, not to be omitted—accounting ability, was in the forefront. He was, indeed, the embodiment of the good accountant—"good" being understood in both senses. With many others, I have lost a dear friend, and the accountancy profession a devoted member.

Richard Witty was at Christ's Hospital with me, and many are the times we have recalled the days together. When he put aside his blue coat, he went into the office of Martin, Farlow, Eldridge & Co., of London. He early showed his conspicuous ability in our subject by taking honours in both the Intermediate and Final examinations of

the Society of Incorporated Accountants, of which he was elected a member in 1903. From the first he was brought into direct contact with the Society, for he acted as personal assistant to (Sir) James Martin, senior partner in the firm, who was then Secretary. There are still minutes preserved in his clear handwriting. His long and intimate knowledge of the affairs and policy of the Society served it well in later years.

In 1905, he started to practise in the City; his firm later became Button, Stevens & Witty, in which he was senior partner for many years until his death. Until very recently he punctiliously went to his office on several days of the week. How he enjoyed his work! I remember his telling me, a few months ago, that there was no thrill like the scanning of the morning mail on his desk.

In 1912, Witty was elected President of the Incorporated Accountants' Students' Society of London, and in 1932 chairman of the London District Society. He became an examiner of the Society in 1926 and for some years was an assiduous chairman of the Board of Examiners.

From 1931 until integration with the Chartered Institutes he was a member of the Council of the Society. He served as chairman of the Articles and Bye-Laws Committee and as Vice-Chairman of the Disciplinary Committee; in 1939 he became Vice-President. His Presidency commenced in 1942 and was extended until 1945 at the special request of his colleagues, in those very difficult years of war damage and dislocation.

As one of the first to become aware of the increasing importance of the non-practising accountants in industry, he it largely was who secured their representation on the Council. Throughout he had worked hard for closer relationships of the bodies in the profession. On becoming President he had talks with (Sir) Charles Palmour, President of the English Institute, and as a result there was formed a Co-ordination Committee representative of the Chartered Institutes, the Society and the Association. The Committee sat for several years

and drafted a Bill. Though the Bill was later dropped, it was during this period that the ideas leading eventually to integration took shape. Richard Witty recalled that back in 1897 proposals for amalgamating the Society with the English Institute had been mainly negotiated by (Sir) James Martin and Frederick Whinney—and the news of the adverse vote at Moorgate Place was borne to Martin by his youthful assistant acting as messenger. Whinney's firm became Whinney, Smith & Whinney, of which Palmour was senior partner at the time of his Presidency of the Institute, so that a partner in that firm and Witty were concerned in the 1897 "integration" plans and some fifty years afterwards a later partner and Witty helped to form ideas that led to the successful outcome of 1957. Witty's part in 1897 had certainly been a junior one; in 1957 his was fittingly the final speech in favour at the meeting of the Society at which the proposals were accepted.

From the birth of ACCOUNTANCY out of *The Incorporated Accountants' Journal* in 1938, until the time of integration, he acted as accountant-adviser to the Editor, ever ready to give from his wide knowledge and experience of accounting and of the profession.

Outside the profession Witty's interests were gardening (for many years he was secretary of the National Chrysanthemum Society) and Freemasonry. He was a Past Master of the White Rose of York Lodge and a founder and honorary member of the Incorporated Accountants' Lodge and a Grand Lodge Officer (P.G.St.B.).

Among those present at the funeral were Sir Richard Yeabsley, C.B.E., F.C.A. (the last President of the Society), Mr. D. V. House, F.C.A. (Past President of the Institute), Mr. C. V. Best, F.C.A., Mr. W. J. Crafter, F.C.A., and other representatives of the Incorporated Accountants' Lodge, and present and past officers of the Society.

Mr. Witty's son, Mr. Frederick R. Witty, now carries on the practice of the firm with his partner, Mr. E. C. Coleman.



MR. A. H. WALTON, F.C.A.

New Member of Council

AT THE LAST meeting of the Council of the Institute of Chartered Accountants in England and Wales, reported on page 109, Mr. Arthur Halsall Walton, F.C.A., was elected to fill one of the two vacancies, the other remaining unfilled for the time being.

Mr. Walton was born in 1916 and educated at the Leys School, Cambridge. He served with the Lancashire Fusiliers throughout the war, reaching the rank of major and for some time acting as adjutant.

In 1940 he became a member of the Institute after serving his articles in the Manchester firm of Lysons & Talbot, now Lysons, Haworth & Sankey, in which he has been a partner since 1949.

Since 1950 he has been a member of the Committee of the District Society, acting as Honorary Treasurer for six years. He became President of the District Society in 1957. For nearly twenty years he was on the committee of the Manchester Students' Society.

Mr. Walton is a circuit steward of the Bramhall Methodist Circuit, and takes a keen interest in youth clubs.

Bank Charges Examined

TWO BODIES HAVE been concerning themselves with value for money in the shops. One is *Consumers' Asso-*

ciation Ltd., the other is the *Consumer Advisory Council*. Within the limits of their financial resources both have been doing excellent work, testing products and reporting on them, C.A. in *Which?*, C.A.C. in *Shopper's Guide*. They rely for protection against the law of libel on the fact that their reports are published to subscribing members only, not to the world at large. The subscription to each is 10s. a year, and their addresses are: (C.A.), 7 Great James Street, London, W.C.1, and (C.A.C.), Orchard House, Orchard Street, London, W.1. They are the first consumers' pressure groups to be at all effective in this country (in the United States the movement has been carried further), and they deserve support.

In the latest issue of *Which?*, C.A. has done some work on bank charges, and although there is nothing in the report to surprise anyone who has studied the subject in any detail, it includes an interesting analysis of thirty-four banking accounts, particulars of which were provided by members. Each account has been costed on the basis of 1s. an entry, with an allowance of notional interest on credit balances of 2 per cent. per annum; and the resulting figure is compared with the actual charge. The variation is surprisingly small, a little over half of the actual charges being higher than the calculated figure, but, oddly enough, the largest differences being shown in the other half. The figures indicate that, as has been often enough said, English bank charges vary from bank to bank, and from branch to branch; they do not go on to demonstrate, what is almost certainly also true, that they vary even within a single branch.

The commentary sets out the Scottish system of fixed charges, and also, very fairly, the ancillary advantages of the ordinary banking account. But it also sets out the various other, and cheaper, methods of payment by cheque or draft: the Post Office Savings Bank (no charge and interest of $2\frac{1}{2}$ per cent.), the *Co-operative Wholesale Society Bank* (2d. an entry and interest of about $\frac{1}{2}$ per cent.), and the Trustee Savings Banks (6d. a

cheque and interest of $2\frac{1}{2}$ per cent.). The *Midland Bank's* new personal cheque at 4d. (no charge for credits paid in) comes comfortably within this cheap group.

Most important, the report emphasises that, so long as charges continue to be discretionary and not fixed, they are a proper subject for negotiation with the manager. Put more bluntly—if you twist his arm you may get them reduced. That has always been so: there are some (the more successful arm-twisters) who think it the main advantage of the English system of bank charges.

Financial Regulations by Local Authorities

THE PROMISED CIRCULAR on the arrangements for handling receipts and payments under Section 58 of the Local Government Act, 1958, has now been issued by the Ministry of Housing and Local Government. We commented upon the question in these columns last November (page 571) and suggested that a model set of financial regulations might be appropriate.

However, circular No. 4/59 (January 26) is a jejune document doing little more than draw attention to some well-known and long-established principles. There is scant need to tell local authorities that obtaining competitive tenders is the best way to ensure that goods and services cost no more than they should, or that there should be proper control of blank cheques. Much of the circular is a mere recital of tenets of financial control that have been strictly observed by authorities for forty years or more.

Whether or not detailed instructions should be included in standing orders or financial regulations about certification of invoices; preparation, signing and despatch of cheques; and reconciliation of cash books and so on, is a matter of opinion. As we said in our last note, the more detailed the written instructions the more will they be regarded as the "book of words" and care must then be taken to cover everything, lest some not-so-clever employee invokes the regulations as an excuse for failing to use ordinary common-

sense. It is better if the book says nothing on the less important aspects of financial control: then it will be clear to everyone that the rules are not intended to be exhaustive.

The point is made in the circular that some councils, finding detailed examination of all accounts by members impracticable, have evolved a useful system of review by appointing a committee to make a judicious selection of items submitted, and calling for special reports from chief officers "setting out the complete history and all relevant details of the transactions leading up to the payment of the items selected." The procedure certainly saves the time of committee members, but it puts a heavy burden on the officers.

Jointness in Costs

A STRIKING FEATURE of the transport industry is the large proportion of costs that takes the form of salaries and wages. In the 'buses and coaches of London Transport the proportion is 67 per cent., in British Railways it is 59 per cent. and in British Road Services 51 per cent. Compare the proportion in other industries—in coalmining, 63 per cent.; building and contracting, 37 per cent.; shipbuilding and engineering, 33 per cent.; iron and steel, 25 per cent.; electricity, 23 per cent.; and chemicals, 13 per cent. Depreciation of fixed assets takes only between 4 per cent. and 7 per cent. of total costs in the various forms of transport. These figures were given by Mr. H. E. Osborn, C.A., Chief Accountant and Financial Adviser to the British Transport Commission, in a paper read this month to the Institute of Transport at Dublin.

Among other problems of costs discussed by Mr. Osborn in his thought-provoking paper was that of "jointness":

Consider the simple case of a lorry journey from A to B and back. Let us imagine that the lorry goes full on the way out and returns empty. If the costs of the round trip are expressed per vehicle hour or per vehicle mile or on any similar basis which appeals to the particular accountant concerned, the total costs can be allocated between the journey out and the journey home. By subtracting the cost

How to make MECHANISED ACCOUNTING your most profitable investment



Mechanised accounting is much more than a matter of buying machines. It should be a high-yielding investment. It must therefore be planned: made-to-measure to fit not only your present but your future needs. As an example of the kind of investment it will pay you to make, take the Remington Rand 'FOREMOST' Accounting Machine.

- Its 'simplest to operate' keyboard allows *unlimited accounting narration*.
- Its simple form feed ensures greater output, and *form designs can be easily amended to meet any new needs*.
- The totalling units are available in a great variety of styles (e.g.: sterling, decimal, weights and measures, hours and minutes).
Their capacity can always be expanded *to cope with increased work*.
Additional units can be fitted at any time *to extend the scope of the machine*.
- And 'FOREMOST' can be synchronised with a punched card installation, thus greatly enlarging its versatility.

Accounting is merely one of the present-day office efficiency problems to which Remington Rand know so many of the answers. They are always ahead in development, because their international resources combine skills and techniques gathered from a world-wide market. Write NOW for the 'As easy as ABC' booklet.

PART OF THE PROOF THAT

Remington Rand
EQUIPS BUSINESS FOR PROSPERITY

Business Equipment Centres in all principal cities

REMINGTON RAND LTD • 1-19 NEW OXFORD STREET • LONDON WC1 • CHA 8868

METROPOLITAN COLLEGE

Specialised Postal Training
for the examinations of the
INSTITUTE... Also for the

Assn. of Certified & Corp. Accts.
examinations — M.C. students have
gained more than 11,500 PASSES and
over 390 HONOURS.

Inst. of Cost & Works Accts.
examinations at which M.C. Students
have gained more than 10,000 PASSES
and MORE FIRST PLACES (Inter. &
Final) and MORE PRIZES (Gill, Lever-
hulme and Moran) than have been won
by ALL other candidates.

B.Sc.Econ. (Lond.) Degree
M.C. Students have gained more than
1,100 SUCCESSES and more than 250
HONOURS DEGREES in the last 10
years.

LL.B. (Lond.) Degree
M.C. Students have gained more than
1,500 SUCCESSES and 133 HONOURS
DEGREES in the last 10 years.

At the C.A. and S.A.A. Examinations Students of the
Metropolitan College have gained nearly

10,000 SUCCESSES

and more than 350 HONOURS, Prizes and Medals

including

56 FIRST PLACES

38 SECOND PLACES

65 Third and Fourth Places



★ WRITE TODAY for a free copy of the College "Accountancy" Prospectus
to the Secretary (A3), METROPOLITAN COLLEGE, ST. ALBANS, OR CALL:
30 QUEEN VICTORIA STREET, LONDON, E.C.4. (Telephone: City 6874).

METROPOLITAN COLLEGE

ST ALBANS

PERSONAL PENSIONS

FINANCE ACT 1956

For the older man. When planning a Personal Pension Annuity flexibility is of the first importance; single premiums ensure flexibility. Before you make your choice we invite the opportunity of quoting.

For the younger man. The best way to benefit from the provisions of the Finance Act 1956 is to effect an Endowment Assurance to-day and contemplate a Purchased Annuity to-morrow, an annuity which now has such distinct tax advantages. When planning an Endowment Assurance it is good business to choose a Mutual Office with an attractive compound bonus.

SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY

28 ST. ANDREW SQUARE, EDINBURGH, 2 13/14 CORNHILL, LONDON, E.C.3

of the journey out from the gross receipts earned on the outward journey, we can discover that there was a substantial profit on the way out. If we next proceed to deduct the cost of the journey back from the *nil* receipts on the return journey, we shall discover that there was a large loss on the way back. But the journey out necessarily involved a journey back and it is easy to see in such a simple case that allocations of cost over the two legs of the journey are unreal and may easily be quite misleading.

Nevertheless, in practice allocations of joint cost must often be made though, said Mr. Osborn, the recipients of the figures often failed to appreciate the important underlying assumptions. It should be noted also that whether particular costs were joint or not depended on the scale of operations and the time factor. Thus the cost of fuel was specific within narrow limits to a particular round trip of a 'bus, while the costs of the driver and conductor were joint with the other trips they made. But if one was considering the costs of a particular 'bus route, then the wages of a driver and conductor were specific and not joint, unless there was interworking between one 'bus route and another, when the group of related routes would have to be looked at.

For many sectors of transport and in particular for the railways, operations over considerable lines or areas constituted a network and much of the expenditure contained elements of jointness. However difficult the problems for the traffic costing accountant, they had to be tackled because the effect on costs of changes in the volume and characteristics of the traffics was highly significant.

Since there could be no precise calculation of the costs of a particular transport job, the fares or charges for such a job had in the past been fixed by averaging costs, usually on an empirical or arbitrary basis. Thus for railway freights charges were by reference to national scales, with a classification of goods related to value. The averaging of costs led to rates which had but little relation to the particular costs of the transits in question. But the situation was now

changing: charges were reflecting more closely the rate of cost of particular flows of traffic but were still more influenced by competition from the roads.

Mr. Osborn went on to discuss the techniques that had been developed by the British Transport Commission in traffic costing. It is clear from this second half of his paper that much solid progress has been made as a result of hard thinking on a subject which is outside the average accountant's experience.

Ending of a Price Agreement

THE DECISION OF the Restrictive Practices Court that the yarn spinners' agreement was contrary to the public interest not only ushers in a new competitive phase for Lancashire, but will probably cause many similar trade agreements to die, and competition to revive, in other industries also. The agreement fixed minimum prices to be charged for the various kinds of cotton yarn manufactured and supplied by members of the Yarn Spinners' Association, and standard conditions of sale. The prices were stated to be fixed to allow a small profit with the various elements of production cost (including depreciation and interest) taken into account.

The agreement was referred to the Court by the Registrar of Restrictive Trading Agreements under the Restrictive Trade Practices Act, 1956. The onus was on the Association to satisfy the Court that the restrictions in the agreement should be upheld.

Evidence was given for the Association to the effect that (i) the industry had been subject to violent fluctuations on which were superimposed seasonal movements and other disturbing factors, and (ii) the demand for yarn and cotton cloth was relatively inelastic and was likely to be even more so in recession or when the market was weak. For these reasons the industry was liable to much instability and it was to reduce this instability that the minimum prices were fixed.

Mr. N. L. R. Trounce, F.C.A., accountant to the Association, stated in evidence that in relation to the capital employed in the industry the

profits earned were very small. Depreciation was rightly taken as a cost to be recovered in full on the basis of current output. In his opinion, industry generally did not allow enough for depreciation, relating it to historical costs instead of replacement values, but the Association allowed for depreciation on a current replacement basis.

The President of the Yarn Spinners' Association said in his evidence that the future of the industry lay in its being a small, compact, highly modernised industry, giving secure employment to its operatives.

The Court held that any effects adverse to the public interest (as defined in the Restrictive Trade Practices Act of 1956) that might follow the removal of the restrictions—particularly a decline in employment in the area concerned—did not outweigh the detriment to the public from keeping the restrictions in force. That detriment came particularly from the preservation of excess capacity in the industry and waste of national resources. In 1956/57, in the United Kingdom 2,100 hours were worked per spindle; in Hong Kong the figure was 8,100; in the United States, 6,100; in India, 5,900; in Japan, 4,900; and in Germany, 4,000. On balance, the restrictions were unreasonable.

The Court was satisfied that since 1951, on the average, the prices obtained for yarn had been higher than they would have been in a free market. The advantage to the public in the form of cheaper and better goods to be derived from modernisation resulting from larger returns obtained by the spinners was not substantial. A quite considerable export business had been lost, not so much in yarn as in cloth, through the rigidity of the scheme and the inability of spinners to make even a small concession in price to help in securing export business, and anything that appreciably hindered or diminished the export trade must be regarded as a public detriment.

A fall of from 5 to 7½ per cent. in yarn prices was announced, only a week or so after the Court pronounced judgment. It now seems that the Government will be giving sup-

port, including financial support, to a plan for concentrating all sections of the cotton industry by the elimination, with compensation, of uneconomic units.

A New Way with Depreciation

A PLEA THAT the accountancy profession should experiment with new ideas was made by the immediate Past President of the Institute, Mr. W. H. Lawson, C.B.E., B.A., F.C.A., speaking at Exeter recently. Existing practices should be looked at objectively and accountants ought not to take it for granted that what had been done in the past or what was incorporated in the Companies Act was necessarily the last word in perfection.

As an example, Mr. Lawson instanced the accepted practice, halloved by precedent and the eighth Schedule of the Act, of showing fixed assets in the balance sheet at cost less accumulated depreciation. How far, he asked, did that treatment reflect the true course of events in the business? If a company purchased a building it did not diminish in size year by year and so long as the building was still intact why should it not be shown in the balance sheet at cost with the accumulated provision for depreciation on the other side? When the building was scrapped the cost could be written off against the provision for depreciation.

A related issue, continued Mr. Lawson, was the use of the cash provided by the annual depreciation charge to the profit and loss account. Frequently the cash was used to expand the business or even to embark on quite new enterprises, so that by the time the assets had to be replaced no cash was available for the purpose and new capital had to be raised from outside the business. It was arguable, he said, that a situation of this kind would be made clear to the shareholders if the provision for depreciation had been shown as a separate item on the liability side of the balance sheet.

Mr. Lawson made it clear that he was not suggesting that the methods at present employed in the preparation of balance sheets were incorrect or that he would personally advocate

any change at that time. He was merely pointing to the type of questions that members of the profession should be continually asking themselves—and that they would need to ask themselves if progress was to be made.

The speech was given at the annual dinner of the Exeter and District Branch of the Bristol and West of England Society of Chartered Accountants.

The Auditor and Internal Control

A RECENT *Statement on Auditing Procedure* issued by the American Institute of Certified Public Accountants clarifies "previous pronouncements relating to the scope of the independent auditor's review of internal control as it pertains to his examination leading to an expression of opinion on the fairness of financial statements."

The statement (number 29 in the series) gives the definition in the special report on internal control published by the American Institute in 1949: internal control comprises "the plan of organisation and all of the co-ordinate methods and measures adopted within a business to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency and encourage adherence to prescribed managerial policies." The Institute of Chartered Accountants in England and Wales in its pamphlet on internal audit issued in 1953 regarded internal control "as indicating the whole system of controls, financial and otherwise, established by the management in the conduct of a business, including internal check, internal audit and other forms of controls."

In the broad sense, internal control is thus taken to include both accounting and administrative controls. Accounting controls embrace the plan of organisation and all the measures and procedures concerned mainly with, and relating directly to, the safeguarding of assets and the reliability of the financial records, including systems of authorisation and approval, separation of duties and the like. Administrative controls are deemed to cover the plan of

organisation, methods and procedures concerned mainly with operational efficiency and adherence to managerial policies. They usually relate only indirectly to the financial records and include such controls as statistical analyses, work study, performance reports, employee training programmes and quality control. Classification of controls into the two categories often varies in individual circumstances.

The statement points out that the selection, extent and timing of audit procedures depend largely on the auditor's judgment of the adequacy and effectiveness of the internal controls, based upon his study and evaluation of those of them considered by him to influence the reliability of the financial records. Accounting controls demand evaluation, for they bear directly and importantly on the reliability of the financial records. Administrative controls normally bear only indirectly on the financial records and the need for evaluating these controls depends on the auditor's views on the significance of their bearing. For instance, production, sales and other similar statistics might require evaluation in particular circumstances.

The American Institute sees no conflict between, on the one hand, that part of its definition of internal control relating to the safeguarding of assets, and the auditing standard relating to study and evaluation, taken together and, on the other hand, the statement in *Codification of Statements in Auditing Procedure* that the auditor does not assume responsibility for detection of defalcations or similar irregularities. The auditor plans his audit to enable him to come to an opinion on the financial statements taken as a whole—and not to detect defalcations and similar irregularities. If, however, controls are weak or lacking, the auditor has a responsibility: his examination should take this consideration into account, and as a result he might be led to an extension of his tests or to a shifting of emphasis or timing. For example, counts, reconciliations, confirmations, verifications and so on, might be made at the balance sheet date rather than at an interim date.

Statement No. 29 is one more indication of the growing importance attached to internal controls in modern auditing method.

The "Reconynges" of Spain

IN A NOTE on page 637 of our issue of December, 1958, we mentioned the conjecture (not our own) that the "Reconynges" of Spain may have been prepared on double entry, which may possibly have reached this country from Spain. The point was conjectural: the route by which double entry reached Britain has not been firmly established and some freedom of speculation in this realm seems permissible.

A reader writes that, so far as the literature from Spain goes, the first book on book-keeping published there was *Suma de Arithmetica*, by Gaspar de Texada, printed in Valladolid in 1546; the book was on single entry. The next book on book-keeping published in Spain, and the first to appear there on double entry, was *Compendio y Breue Instruction* by Valentin Mennher Van Kempton, printed in Barcelona in 1565; it was a translation from a book in French printed in Antwerp. The first book of Spanish origin on double-entry book-keeping was the *Libro de Caxa y Manual de Cuentas de Mercaderes*, by Bartolome Salvador de Solorzano, printed in Madrid in 1590.

Pacioli's famous volume of 1494, writes our reader, was the fountain-head of all books on double entry, and traces of its wording and arrangement are to be found in all other books on the subject for some two hundred years. Venice, Vienna, Nuremberg, Milan, Antwerp, London, all had books on the "Italian method" long before the first Spanish translation of the French work, the *Compendio*.

Our reader considers that there is more evidence that double entry, begun in Italy, flowed to this country via Antwerp, adding that the very reference to the "Reconynges of Spain" casts doubt on the assumption that double entry was meant, because that method was almost always referred to as the "method of Venice" or the "Italian method."

In any event, it does appear highly probable that the practice of double-entry in Spain pre-dated the publication of the books—just as it did in Italy and in our own country.

What the Ratepayers Owe

THERE ARE WIDE differences in the amounts of debt per head of population from one class of local authority to another. The average *per capita* debt in the county boroughs is about £112, in the counties (other than London) it is only £14 and in the London County Council it is £87.

The debt per head of Londoners through the metropolitan boroughs and the City averages £59. The non-county boroughs show a figure of £79 per head and urban districts one of £83 per head. The rural districts have a net debt per head of £81.

It is the debt on housing which makes Londoners so much more heavily indebted through their county council than are people in other counties. Debt per head in the county boroughs is high because the authorities are responsible for all services. The highest debt in the county boroughs is on housing: in total it is more than £1,011 million. In the counties outside London (which spend very little on housing) the education service carries debt of almost £300 million. The debt for housing in London approaches £230 million and for education £32 million.

Surprisingly, the average rate of interest paid by the counties is higher than that paid by county boroughs—4.55 per cent. compared with 4.17 per cent. The London County Council pays on average only 3.72 per cent., apparently because it has borrowed a relatively large amount by way of stock on advantageous terms and has kept its mortgage debt low.

Shorter Notes

Inland Revenue Statistics

The usual plethora of statistics of the direct taxes is given in the Annual

Report of the Inland Revenue (101st report for the year ended March 31, 1958, Command 628, H.M. Stationery Office, 9s. 6d. net). One of the most useful of the sets of tables shows, for companies in various industrial groups, the following items expressed as percentages of turnover: trading profit, depreciation allowances, total income, distributions, profits tax, and balances. There is also an up-to-date table of the rates of stamp duties in force.

Largest Computer Company

International Computers and Tabulators, to be known by its initials I.C.T., is the largest computer company in Britain. It came into being at the end of last month by the merger of the *British Tabulating Machine Company* and *Powers-Samas Accounting Machines*. The new organisation has a staff of nearly 16,000 and carries a heavy investment in research in orthodox punched card equipment, believing that the market for it will remain active for a long time. It will supply punched card equipment from both the merging companies, augmented by machines of mechanical, electro-mechanical and electronic types, and a range of electronic computers for small, medium-sized and large users.

No More Fuel-Saving Loans

The Government is to make no more loans under its scheme for encouraging the installation of fuel-efficiency equipment. Loans in an advanced state of preparation will, however, be considered if they are now in the hands of the Ministry of Power.

A New List of Rateable Machinery and Plant

A new list of machinery and plant that should be liable to local rates on the principles established by the Rating and Valuation Act of 1925 is contained in the report of the Committee on the Rating of Plant and Machinery (H.M. Stationery Office, 2s. 6d. net). If approved, the new list will operate from April 1 next. The main changes made to the existing list (which is contained in the Plant and Machinery (Valuation for Rating) Order, 1927) are: (i) the elimination of some electrical apparatus; (ii) the addition of new types of plant and machinery, like nuclear reactors, radar and television masts and wind tunnels; and (iii) the addition of boilers, main pipelines, Bessemer converters, bridges and precipitators.

Revision of Law on Building Societies

It has been announced that the Government is considering the need to bring in new legislation on building societies but that no Bill will be introduced into Parliament before the general election. As we have urged before, the law on the accounting and audit of building societies direly needs revision.

No Watering of Directors' Compensation

An attempt has been defeated to reduce the compensation payable to directors of water companies when companies are taken over by other undertakings in the re-grouping of the water supply industry now in progress. Two Private Bills before Parliament concerned with re-grouping sought to reduce the customary seven years' purchase of directors' fees to five. The Institute of Directors lodged petitions against the Bills and a Select Committee of the Commons refused to sanction the proposed reduction in compensation.

Salary Increases for Local Government Accountants

The Treasurers and Accountants are among the 10,500 chief officers of local authorities who will receive salary increases of from £50 to £685 a year under an award of the Industrial Court. The new salary scales date back to August 1 of last year.

Restrictive Trading Agreements

At the end of last year 2,100 agreements had been registered with the Registrar of Restrictive Trading Agreements, and 150 were in process of registration. The parties to more than 140 of the agreements had been notified that reference would be made to the Restrictive Practices Court to decide whether the agreements should be upheld. Of these agreements, 55 have now been abandoned or altered so that the restrictions have disappeared. Similar steps have also been taken with 40 other agreements. Proceedings before the Court have been formally instituted in more than 50 cases.

Recruitment—I

One of the booklets in the "Choice of Careers" series, published by the Central Youth Employment Executive, is *The Accountant* (H.M. Stationery Office, 9d. net or £1 10s. for 50 copies). The booklet, a revision of an earlier edition, is a valuable guide for the school-leavers to whom it is primarily addressed. The same information is condensed into rather more than two pages in a larger

booklet *Careers Guide*, published under the same auspices (H.M. Stationery Office, 3s. 6d. net).

Recruitment—II

Under a heading "The Heart of the Business World" and a sub-heading "Accountants—the Eyes of Management" there appears in *Choosing a Career*, a publication of the National Union of Students (2s. 6d. post free from the Union), an article which even though its headings are somewhat mixed anatomically is well calculated to help produce some more graduate chartered accountants and to tend to raise, if only fractionally, the present proportion of one graduate in every eight new members of the Institute. The article puts in front of its many thousands of student readers what a career as a chartered accountant offers to those of them who, while not wranglers, are at ease with figures and have "diligence, orderliness, patience and the ability to put them across clearly and persuasively."

Recruitment—III

While fortifying himself with "Quaker Oats," the child or his parent reads on the back of the packet that "the success or failure of any business depends very largely upon the advice of the firm's accountant" and prospects of a directorship are held out. Other condensed information on "How to be an Accountant" is also given, and the reader is told of the careers booklet *The Accountant* (referred to in the note before the last). The careers series on the Quaker Oats packets has proved popular and is in its third year.

A Novel Company Meeting

Two enterprising features marked the annual meeting of *Ampol Petroleum* last month. The main meeting held in Sydney was relayed by land line to all the State capitals and to Newcastle. At each of the meetings, and at another meeting of shareholders held simultaneously in London, there was shown a film version of the annual report. The film was in colour and sound: sandwiched between stories of the various activities of the company there were shown in highly simplified form the main figures from the last accounts. A laudable and successful experiment.

Simplified Annual Censuses of Production

The census of production for 1959 to be taken in 1960 will be the first of a series of simplified annual censuses, to be taken between the detailed census for 1958, in hand this year, and the next detailed census. In the 1959 census,

returns will be required from all concerns employing twenty-five or more persons, except concerns contributing to the quarterly investigations into stocks and capital expenditure made by the Board of Trade. Questions will not be asked about employment, wages and salaries, materials and fuel purchased, work given out, and payments for transport. The only questions will cover (i) total value of goods sold and work done; (ii) stocks; and (iii) capital expenditure. Information about salaries is to be collected by the Ministry of Labour. The return for the 1959 census will cover the entire business, including any ancillary activities carried on by a separate company; a group with units engaged in diverse activities for which separate accounts are kept will be required to make a return for each of the units.

Easement of Earnings Rule

It is proposed to raise from 50s. a week to 60s. a week the net amount that can be earned by pensioners under National Insurance without reduction in their pensions. For widowed mothers the net amount is to be raised from £3 a week to £4 a week.

Presentation to Mr. W. L. Barrows

A staff dinner of Messrs. Howard Smith, Thompson & Co. was held on January 28 at the Imperial Hotel, Birmingham, in honour of their senior partner, Mr. W. L. Barrows, President of the Institute of Chartered Accountants in England and Wales. During the course of the evening a presentation on behalf of the staff was made to Mr. Barrows of a pair of Georgian coasters and two rare books.

Single Reprints of Books

A book that is out of print can now be reprinted in a one-copy edition specially to order. Each page is first microfilmed, and the film after processing is put through a "xerographic" machine which produces 200 full-sized printed pages in five minutes. A single copy of a book of 250 pages, bound and covered, costs about £5 15s. 0d. and further copies about £4 15s. 0d. each. As well as being a convenient way of storing information, microfilm thus becomes an intermediate between the printed original and the reprinted copy. The new method is being pioneered by *University Microfilms Ltd.* (67 New Bond Street, London, W.1), in conjunction with *Rank-Xerox Ltd.*, and they will undertake to obtain the publisher's consent to re-print a book still in copyright.

The School of Accountancy

Highly Successful Courses

- ★ **FOR ARTICLED CLERKS**—Courses for the Institute, Society and Association Examinations.
- ★ **FOR AUDIT CLERKS**—Courses for A.C.C.A.
- ★ **FOR QUALIFIED MEN**—I.C.W.A. Courses with concessions; and Training for Management.
- ★ **FOR CAREERS IN INDUSTRY**—I.C.W.A. Courses.
- ★ **FOR JUNIORS**—Carefully graduated Courses in Book-keeping, Auditing, and all Commercial subjects. Specialised Courses for the Prelims.

Write to

THE SCHOOL OF ACCOUNTANCY

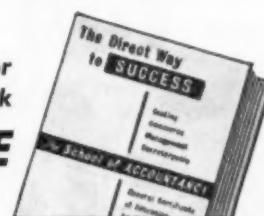
105 Regent House,
6 Norfolk Street,
London, W.C.2

48 years of Successful
Educational Service

105 Regent House,
2 West Regent Street,
Glasgow, C.2

Send for
this book

FREE



THE
SCHOOL OF ACCOUNTANCY
105 Regent House, 6 Norfolk Street,
London, WC2

Please send me post free and
without obligation a copy of your
Guide to Careers.

'The Direct Way to Success'

Name _____

Address _____

105

Where your money does its job--

5% NETT

INCOME TAX PAID BY THE SOCIETY

Equal to £8.14.0% gross where standard rate applies
GUARANTEED FOR A FIXED TERM
SHARE INVESTMENT 3 YEARS' PERIOD

STATE BUILDING SOCIETY

4½% NETT

INCOME TAX PAID BY THE SOCIETY

investment shares subject to one month notice of withdrawal,
equal to £7.16.7% gross where standard rate applies

MAXIMUM SECURITY

★ ANY AMOUNT ACCEPTED UP TO £5,000

★ NO DEPRECIATION

Over 27 years of progressive expansion

ASSETS EXCEED £10,000,000

Full particulars from the Secretary:

THE STATE BUILDING SOCIETY

95 State House, 26 Upper Brook Street, Park Lane, London, W.1.

Telephone: MAYfair 8161

WHERE YOU SAVE DOES MATTER



When you invest in Abbey National, you invest in a national institution that has won the complete confidence of nearly 600,000 investors. At the same time, your money currently earns an attractive rate of interest... 3½% per annum with income tax paid by the Society. This represents **£6.1.9** per cent when income tax is paid at the standard rate.

You would have to look far to find an investment that combines such a high level of security with such a satisfactory yield.

ABBNEY NATIONAL BUILDING SOCIETY

Member of The Building Societies Association

A national institution with
assets of **£304,000,000**

Branch and other offices throughout the United Kingdom
ABBNEY HOUSE · BAKER STREET · LONDON N.W.1 · Tel: WELbeck 8282

CVS-499

n

a

m

t

i

p

THE BOOK OF THE STOCK EXCHANGE

F. E. Armstrong. Fifth Edition.
45s. net.

Option dealing is just one of the many absorbing subjects which F. E. Armstrong discusses at length in his intimate and interesting, fact-crammed record of the stock exchange. The new up-to-date edition forms an exhaustive study of every facet of the history and working of the house.

BUDGETARY CONTROL AND STANDARD COSTS

The Practice of Accounting as
an aid to Management

By J. A. Scott, C.A. 4th Edn. 21s. net.

"... will commend itself to the advanced practitioner and to the student alike. It is lucidly written and, whilst being an admirable statement of first principles, contains a leavening of original thought which will profitably lead the reader into other channels of reasoning."

TAXATION OF GIFTS AND SETTLEMENTS

Including Pensions Provisions

By G. S. A. Wheatcroft, M.A.
Third Edition. 52s. net.

Here is a new edition of a book that has been acclaimed by lawyers throughout the country. It gives a clear, straightforward account of taxation law.

Parker Street, London, WC2

I R

Investment Research

Monthly Investment Letter is designed for the ordinary investor. His problem is not "What shall I buy this week?" and a regular series of tips is of little use to him. But his portfolio should be balanced by design; and the purpose of the MIL is to warn when changes of balance should be made. The MIL costs you twenty minutes each month and one guinea each year. No. 147 will be published on March 12th. Specimen issues are available on application; write to The Publications Manager, Investment Research, 36 Regent Street, Cambridge.

I R

EDITORIAL

Directors' Duties

"IT is wrong for the directors to allow any change in the control of a company or in the nature of its business without referring to shareholders." So declared the Association of Investment Trusts some days ago. The chairman of the British Insurance Association Investment Protection Committee gave his support to the statement. Very weighty opinion, of leading investment institutions in the City, is thus firmly behind the stand that was taken by Lord Chandos (who is the President of the Institute of Directors) when he assured the shareholders of Associated Electrical Industries last month that they would be consulted on any deal involving an important proportion of the equity or appearing to alter the nature of the business. Again, other company chairmen—for example, of Electric and Musical Industries and of Fisons—when approaching shareholders for consent to an increase of authorised capital have given assurances that the Boards had no intention of issuing shares, without the shareholders' consent, in a way that would substantially alter the control of the companies.

What sparked off the widespread and lively debate on "Boards and Bids" was, it is hardly necessary to say, the famous British Aluminium battle. Without reference to the shareholders the directors of that company had concluded a deal by which there would be issued to an American company all the authorised Ordinary capital so far unissued. The agreement would have given the American company a third interest. Moreover, the directors knew that another offer, an Anglo-American one for a takeover, was in the offing—it had in fact already been outlined to them. The directors of British Aluminium were quite within their legal rights in issuing authorised and unissued capital without seeking the consent of the shareholders. But strict legality is not enough, as has now been abundantly shown. Shown by the overwhelming expression of opinion. And shown by the defeat of the British Aluminium directors in the battle into which they threw themselves (a battle that became possible only by reason of the almost accidental fact that if either the directors' deal or the takeover was to be effective it required Treasury consent, and the Treasury wisely stayed waiting outside the battle area until V-day). There were, to be sure, many factors deciding the outcome other than loss of confidence of the shareholders in the Board, but there can be no doubt that this factor was a highly significant one.

In his address to the shareholders of Associated Electrical Industries, to which we have already referred, Lord Chandos emphasised that the directors of a company must be allowed some discretion and privacy.

Clearly, there are often circumstances in which the interests of the company would be damaged if the directors could not discuss deals in confidence. But, even so, as Lord Chandos put it "the proprietors are entitled to be consulted on major transactions." If, in what must surely be unusual circumstances, going to the shareholders for ratification of such a transaction that has already been negotiated would prejudice it, then (it seems to us) the transaction, not the reference to the shareholders, should be foregone.

It now seems unlikely that there will be any more such conspicuous failures to consult the shareholders as that so unhappily perpetrated by the British Aluminium directors—or, indeed, that of United Dominions Trust, when it issued to Barclays Bank a large slice of authorised and unissued capital. We hope, moreover, that the Chandos rule will now be an unwritten rule of good directorial conduct in companies of whatever size. If it should turn out otherwise during the next few years, then we may be pretty sure that some rule of this kind will become a written one, inscribed in the company law.

That law, as it now stands, is quite unequivocal on the point that directors owe fiduciary duties only to the company, not to anybody or anything else, not even to the shareholders. Professor A. L. Goodhart of Oxford did some service in making the point clear in a letter he wrote to *The Times* recently, in reply to some misconceptions in other letters that had appeared there. As he went on to say, this legal fact "may give rise to difficult situations . . . as in the case of takeover bids, because the directors are not concerned solely with the wishes of the majority of the shareholders: they must consider the interests of the company, a complex institution, as a whole." Professor Goodhart's statement of the present law leads us back, then, to the thought that directors, in the state of the law as it now is, may with the best of motives refrain from consulting the shareholders on an important deal, believing that the interests of the company—taken as different from the interests of the majority of present shareholders—are best served if the deal goes through. But while the company is indeed a *persona* in law, its interests are difficult to define, for everyday purposes, otherwise than in some such terms as "the longer-term interests of the shareholders." And the present shareholders must be taken as the predominant element among the shareholders in that definition—if only because it is they who ultimately control the company. So we come full circle, to the conclusion, once more, that the existing shareholders must be consulted on any really significant deal.

The "contracting-out" provisions of the National Insurance Bill—as complicated in drafting as a Finance Bill—are extremely important to accountants who have responsibilities for private pension schemes. The provisions are examined one by one, and some criticisms are given.

Contracting Out

THE RIGHT OF an employer to "contract out" of the graduated benefits of the new State pension plan produces a host of fresh problems for those called upon to advise on the setting up and reorganisation of private pension schemes. Until now, each advance in National Insurance retirement pensions left two courses open to the employer who had a private scheme. Either he could revise his scheme so that the total amount of retirement benefits from the State and the private scheme combined remained the same as it was before. Or he could leave his private scheme unaltered so that its members reaped the full benefit of the increase in the State pension. In practice, each advance in National Insurance pensions being comparatively moderate, employers almost invariably adopted the second course.

When, assuming that the National Insurance Bill now before Parliament is passed, the revised State scheme comes into operation in 1961, employers will have once again the choice of the two courses already mentioned, but the advances in the national scheme will have been out of proportion to previous advances. And there will also be, for the first time, a third option—the option of "contracting out" some or all employees from the graduated benefits. The decision on this point will rest entirely with the employer; the Bill does not provide for any individual option for the member.

What the Bill Provides

The best way of studying the process of contracting out is to go through the Bill clause by clause. (We omit some sub-Clauses because they deal with special circumstances which are either unlikely to occur frequently or are unlikely to affect many people.)

Clause 7 (1)

A contracted-out member continues to pay the present rate of National Insurance contribution. This provision would call for no comment if the graduated contributions

were an addition to the present National Insurance rates. But they are not, and many lower-paid employees who are not contracted-out will pay less in National Insurance contributions in the new conditions than contracted-out employees. This fact greatly complicates the problem of contracting out.

Clause 7 (2)

An employer who contracts out must have a private scheme with retirement benefits at least as favourable as the graduated pensions from National Insurance. It should be noted that comparability of death benefits is not insisted upon.

Clause 7 (3)

When an employee leaves a contracted-out employment, either he must be granted the pension secured while in that employment, to be claimed at retirement, or a transfer value must be paid to the National Insurance fund. The transfer value is to be equal to the difference between the contributions the member would have paid to the National Insurance scheme as an employee earning £15 per week or more and the National Insurance contributions applicable to a contracted-out employee. This sum would be credited to the employee and used to provide a graduated pension from the State scheme.

Clause 7 (4) and 7 (5)

These sub-Clauses deal with the case of an employee who, during any one week or any one year, is in both contracted-in and contracted-out employment.

Clause 7 (7)

This sub-Clause provides for the issue of certificates to employers who apply for all or some categories of employees to be contracted out. The conditions to be fulfilled by the employer before he can obtain a certificate and the circumstances governing their issue are to be the subject of regulations. It is, however, made clear that employers can cease to contract out whenever they wish—that is to say, they can "contract in" all or any of the

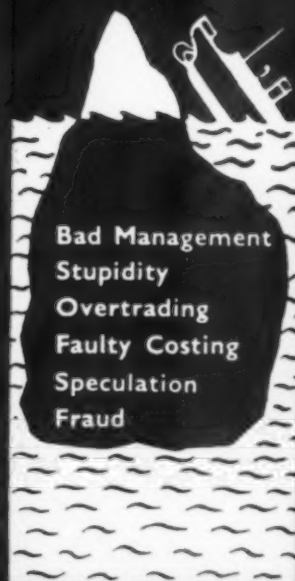
This Business of...

CREDIT INSURANCE

THE BUSINESS STABILISER

TRADE INDEMNITY COMPANY LIMITED
THE PIONEERS WITH 40 YEARS EXPERIENCE

Nine-tenths
of risk
below the
surface



Bad Management
Stupidity
Overtrading
Faulty Costing
Speculation
Fraud



WHAT I

CREDIT INSURANCE protects against the risk that payment will not be received for goods sold and delivered (or work done) owing to the insolvency or protracted default of the customer.

The risk is always present because the title to the goods passes with their delivery and the only right which the seller retains is to prove as an unsecured creditor in the liquidation or bankruptcy of the buyer.

The damage attaching to the risk depends on circumstances. If the amount of the unpaid debt is small the seller will absorb it easily enough, but if the amount is large the effect on the seller may be embarrassing or dangerous.

Since the War, working capital has been heavily eroded by inflation and high taxation and in general the necessary reserves to replace lost money have disappeared. Moreover, recourse to the bank for relief has been drastically restricted by the credit squeeze.

Thus a situation has been created in which the capacity of the seller to absorb bad debts has been weakened while at the same time the susceptibility of the buyer to insolvency has increased.

CREDIT INSURANCE stabilises the position by replacing the greater part of money lost in bad debts.

IT IS CREDIT INSURANCE

N.B. : CREDIT CONTROLLERS

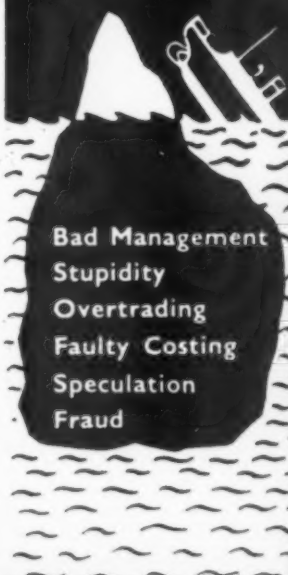
What the Credit Controller says . . .

Long and continued knowledge of the excellent payment record of "X" and Co. is no guarantee that the record will continue. How much do we really know about "X" and Co.? Do they speculate? Are they selling on competitive terms? Is their profit margin sufficient for their needs? Are they sensitive to world affairs, to the weather, to fashion trends? Are the right people on hand to take over if the existing management retires? Are they satisfactorily placed financially? Are they fully insured? How would a sudden fire affect them? Have they labour problems? Have they provision for contingency liabilities, such as lease dilapidations, taxes, death duties? Have they a Credit Insurance policy?

Years of experience still only permit guesses to this kind of question, and the truth of the matter is that the granting of credit is based on a blend of trust and experience mixed with a strong dash of uncertainty. A credit insurance policy is a wonderful second line of defence.

COST : cases vary and a fixed tariff is not feasible, but the rate for a normal policy is a fraction of 1% on turnover.

Nine-tenths
of risk
below the
surface



Bad Management
Stupidity
Overtrading
Faulty Costing
Speculation
Fraud

Some of the Trades using Credit Insurance

Advertising & Publishing	Leather
Agriculture	Metals
Building	Non-Metalliferous Products
Chemical	Packaging
Clothing	Paper & Printing
Commodities	Plastics
Cotton, Rayon & Silk	Shipbuilders & Repairers
Engineering	Synthetic Fibres
Furniture & Upholstery	Timber
Furs & Skins	Vehicles
Hosiery & Knitwear	Wool



What the Financial Expert Says

Many accountants join commerce as financial experts. This is what one said recently — " One soon realizes that one is no longer solely a watchdog over finance.

sell in order to prosper and in order to secure a future. Thus one has as far as possible to accommodate the credit requirements of the sales people and to walk continually on a razor edge between the two.

In these circumstances a credit insurance policy is a wonderful comfort. One finds, after a year or so, not so much taken out a policy as gained a valuable counsellor; a counsellor who will frantically advise credit or, if he recommends it, is willing to stand with his purse. My Company could never have done this insurance now".

SEND FOR " AN OUTLINE OF CREDIT INSURANCE" FOR
BETTER, FACILITATE A SHORT INTERVIEW. NO TWO BUSINESSES
SAME TRADE, AND FOR THIS REASON A PRACTICAL WORD

COMMENT ON CREDIT INSURANCE

N.B. : CREDIT CONTROLLERS

Expert Says . . .

As financial directors. This one soon realises that one is no finance. The business has to order to sell it must give credit. to accommodate finance to the people and one finds oneself between the two duties.

A credit insurance policy is a year or so, that one has gained a wise and experienced who will frankly warn one off a is willing to back his judgment could never do without credit

What the Credit Controller says . . .

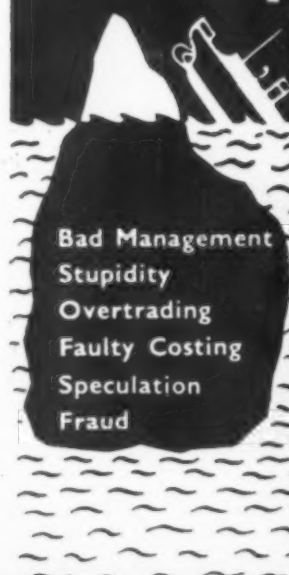
Long and continued knowledge of the excellent payment record of "X" and Co. is no guarantee that the record will continue. How much do we really know about "X" and Co.? Do they speculate? Are they selling on competitive terms? Is their profit margin sufficient for their needs? Are they sensitive to world affairs, to the weather, to fashion trends? Are the right people on hand to take over if the existing management retires? Are they satisfactorily placed financially? Are they fully insured? How would a sudden fire affect them? Have they labour problems? Have they provision for contingency liabilities, such as lease dilapidations, taxes, death duties? Have they a Credit Insurance policy?

Years of experience still only permit guesses to this kind of question, and the truth of the matter is that the granting of credit is based on a blend of trust and experience mixed with a strong dash of uncertainty. A credit insurance policy is a wonderful second line of defence.

ANCE" FOR FULL EXPLANATORY MATTER OR
O TWO BUSINESSES ARE ALIKE EVEN IN THE
CTICAL WORD IS WORTH PAGES OF THEORY.

COST : cases vary and a fixed tariff is not feasible, but the rate for a normal policy is a fraction of 1% on turnover.

Nine-tenths
of risk
below the
surface



Bad Management
Stupidity
Overtrading
Faulty Costing
Speculation
Fraud

TRADE INDEMNITY COMPANY LIMITED

Specialists in Credit Insurance for over 40 years

HEAD OFFICE:

Garrard House, 31/45, Gresham Street, London, E.C.2.

Telephone: Metropolitan 8231/9

BRANCH OFFICES:

NORTHERN OFFICES:

Manor Buildings, 2, Manor Row,
Bradford, 1.

Telephone: Bradford 32484/5

16, Great North Road,
Newcastle-upon-Tyne, 2.

Telephone: Newcastle-upon-Tyne 27891

76, Cross Street, Manchester, 2.

Telephone: Deansgate 3676/7

MIDLANDS OFFICE:

Beaufort House, 92/8, Newhall Street,
Birmingham, 3.

Telephone: Central 5658/9

19, Clarence Street, Gloucester.

Telephone: Gloucester 21131.

SCOTTISH OFFICE:

95, West Regent Street, Glasgow, C.2.

Telephone: Douglas 7457

DESIGNED AND PRODUCED BY JOCKELSON, WHITE & CO. LTD., LONDON

This Bus

THE BU

Business of...

THE BUSINESS STABILISER

TRADE INDEMNITY COMPANY LIMITED
THE PIONEERS WITH 40 YEARS EXPERIENCE



WHAT IS

CREDIT INSURANCE protects against the risk that payment will not be received for goods sold and delivered (or work done) owing to the insolvency or protracted default of the customer.

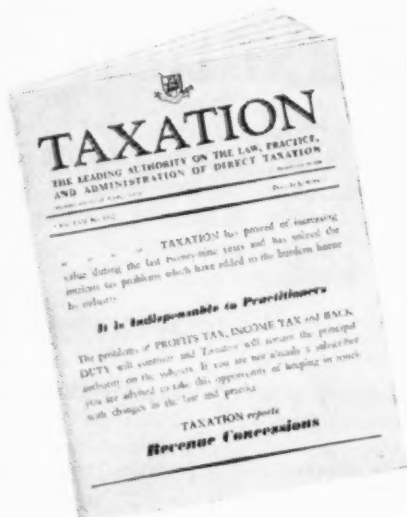
The risk is always present because the title to the goods passes with their delivery and the only right which the seller retains is to prove as an unsecured creditor in the liquidation or bankruptcy of the buyer.

The damage attaching to the risk depends on circumstances. If the amount of the unpaid debt is small the seller will absorb it easily enough, but if the amount is large the effect on the seller may be embarrassing or dangerous.

Since the War, working capital has been heavily eroded by inflation and high taxation and in general the necessary reserves to replace lost money have disappeared. Moreover, recourse to the bank for relief has been drastically restricted by the credit squeeze.

Thus a situation has been created in which the capacity of the seller to absorb bad debts has been weakened while at the same time the susceptibility of the buyer to insolvency has increased.

CREDIT INSURANCE stabilises the position by replacing the greater part of money lost in bad debts.



Price 1/6 Weekly

Subscription: £4 5s year, £2 4s half-year

First published on October 1st, 1927,
Taxation has served the taxpayer and
his advisers for over *thirty-one years*

THE LEADING AUTHORITY
provides you weekly with the latest news of

- TAX CONCESSIONS
- CHANGES IN PRACTICE
- REPORTS OF TAX CASES
- ARTICLES OF TOPICAL INTEREST
- YOUR PROBLEM SOLVED IN FIGURES

Read **TAXATION**

ORDER FORM

To TAXATION PUBLISHING COMPANY LIMITED
98 Park Street, London, W.1 ★ MAYfair 7888

Please send TAXATION for six months/one year. Remittance
£ : s d enclosed. (£4 5s year, £2 4s half-year.)

Name _____

Address _____

A. 1/59



GUARDIAN

ASSURANCE COMPANY LIMITED

(Established 1821)

Life Policies arranged to meet individual requirements in connection with Estate Duty, Settlements, Gifts *inter vivos*, Partnerships, etc.

*Attractive terms for all classes
of Life Assurance and Pensions*

Head Office: 68 King William St., London, E.C.4
Telephone Number: MINcing Lane 2555

MYERS

OFFICE EQUIPMENT LIMITED

(LATE MYERS OF MOORGATE)

68 NEW BOND STREET, LONDON, W.1
Telephone: MAYfair 0977/8

- ☆ Board Room and Executive Office Suites Specially Designed
- ☆ General Office Furniture
- ☆ Filing Cabinets—Cupboards—Shelving
- ☆ Canteen Equipment
- ☆ Drawing Office Supplies
- ☆ Carpets—Linoleum—Rubber Flooring
- ☆ Renovations and Removals

*Complete schemes submitted
without commitment*

The Institute of Taxation

President: FREDERICK BIDSTON, F.A.C.C.A., F.C.I.S.

Vice-Presidents: STANLEY A. SPOFFORTH, F.C.A., F.C.I.S.
ERNEST BEDFORD, F.S.A.A., F.I.M.T.A., A.C.I.S.

Secretary: A. A. ARNOLD, F.C.I.S.

Membership of the Institute is open only to applicants who have passed either the examinations conducted by the Institute of Taxation or the Final examinations of certain professional bodies.

Fellows and Associates receive: a textbook, annotated copies of Finance Acts, half-yearly Digests of Tax Cases and monthly circulars on special taxation subjects.

Students and others may subscribe to a scheme under which they receive all the publications except that the circulars are not issued monthly, but as and when important new taxation subjects arise.

Examinations for Fellowship and Associateship are held half-yearly. Copies of past Associateship Examination papers, with suggested answers, are available at 3s. 6d. each post free.

Full particulars may be obtained from:

THE SECRETARY

THE INSTITUTE OF TAXATION, CLIFFORD'S INN, LONDON, E.C.4

LEO

the automatic office

*If you would like to see a LEOmatic
Office at work, write to*
LEO Computers Ltd Elms House
Brook Green London W6

RAPID

YOUR SUCCESS IS ASSURED

If you study by means of R.R.C. "no text-book"
courses.

Complete inexpensive tuition by qualified tutors,
with clear-cut guarantee, for all the principal
Accountancy and Secretarial Examinations. Also
for Law (Bar, LL.B.), Local Government, Banking,
Insurance, Civil Service, G.C.E., etc.

OVER 50,000 POST- WAR SUCCESSES

Write to-day, specifying your particular interest,
to The Principal,

THE RAPID RESULTS COLLEGE

3 TUITION HOUSE, LONDON, S.W.19

or call at 235, Grand Buildings, Trafalgar Square, London,
W.C.2 (WHI 8877), or Midland Bank House, 26 Cross
Street, Manchester 2 (BLA. 9515).

members of their private schemes at any time after they have been contracted out.

Clause 8 (1)

The test to be applied to the benefits provided by an employer's scheme if he is to be allowed to contract out is laid down. The pension must be: (i) payable for life, (ii) not capable of surrender or commutation to a lump sum—and, (iii) commence not later than the pension age of the National Insurance scheme. The amount of the pension must be at least as great as the member would receive from the graduated part of National Insurance, assuming that his income were £15 per week.

Clause 8 (4)

The contracted-out retirement benefits must be provided from a statutory scheme, or from an irrevocable trust or from an assurance contract satisfying conditions to be laid down by regulations. These conditions will ensure not only that adequate benefits are promised but also that the necessary sums are set aside to ensure that those benefits will in fact be paid.

Clause 9 (1)

If a scheme ceases to be contracted-out, payments are to be made to the National Insurance fund for all the members, calculated by the method set out in Clause 7 (3).

Clause 9 (3)

Employees can be granted preserved pensions on ceasing to be in contracted-out schemes only if the preserved benefits are fully secured and comply with all the regulations to be laid down.

Clause 9 (4) and 9 (5)

A member of a contracted-out scheme who enters the service of a new employer who also has a contracted-out scheme will be treated as if his contracted-out employment were continuous, provided that the first employer pays a proper transfer value to the second employer. A similar condition applies where an employee leaves the service of an employer with a contracted-out scheme and then re-enters after a short interval.

Clause 9 (7), 9 (8) and 9 (9)

Regulations are to be made to cover the actual payment of transfer values to the National Insurance scheme. The responsibility for payment rests on the employer. Penalties are imposed for non-payment.

Clause 10 (1), 10 (2), 10 (3) and 10 (4)

If a member leaves a contracted-out scheme and is entitled to a refund of contributions, the employer may deduct therefrom half the transfer value he is to make to the National Insurance scheme, but cannot claim from the employee anything in excess of the total refund. Provision is made for the following special cases: (i) where the period over which the contributions refunded to the member were made differs from that taken into account when calculating the transfer value and (ii) where the member has been in more than one contracted-out employment.

Clause 11

The transfer values in respect of the liability for graduated pensions are given priority over other debts if an employer with a contracted-out scheme becomes bankrupt or a deceased debtor.

Clause 12

The special arrangements for dealing with statutory superannuation schemes are set out. The appropriate Minister is to act as the employer.

Clause 13

The Minister of National Insurance is to appoint a Registrar to deal with the issue, amendment or cancellation of certificates in connection with contracted-out schemes. Appeals from the decision of the Registrar will be heard by an Adjudicator appointed by the Lord Chancellor.

Comments and Criticisms

When the White Paper on the scheme was published last October, expert opinion was almost unanimous that contracting out should not be attempted except in the most unusual circumstances. The Bill makes the position a little easier for those who would like to contract out. In particular: (a) comparability with National Insurance is to be based on retirement benefits only, (b) a decision to contract out can be rescinded and, (c) employers can preserve pension rights in their own funds rather than pay transfer values to the National Insurance fund.

Criticisms of the form and details of the contracting-out provisions are coming from a number of quarters. The criticisms are well argued in a statement issued a few weeks ago by the *British Employers' Confederation* and we cannot do better than reproduce its points, as follows:

(1) In equity, employers who have been in the vanguard in developing pension schemes should not, in contracting out, be subject at one and the same time to the two conditions: (a) the inequitable withholding, in respect of their lower-paid employees, of the Government subsidy extended to other lower paid employees who have no private scheme under which their employer could contract out [see under Clause 7 (1) above] and (b) the requirement that benefits provided to such employees should be at the maximum level.

(2) When an employee leaves an employment for which the option to contract out has been exercised, it is unnecessarily severe to require the employer and the employee, in the absence of arrangements for maintaining the acquired pension rights of the employee in the private scheme, to pay over an additional sum to the National Insurance fund computed on the assumption that throughout the period of contracted out employment the earnings of the employee have been £15 a week [see under Clause 7 (3) above], when they may well have been a lot less. It should be possible in such circumstances to collect from the employer and the employee an additional sum based on the actual earnings during contracted-out employment. Such an extra payment would arise only if those earnings had been such that the flat-rate contributions paid under the arrangements for contracting out were less than the contributions which would have been payable if an employment had not been contracted out.

(3) Employers with pension schemes will have, in fact, three alternative courses open to them:

(a) to contract out in respect of some or all classes of their employees, modifying their schemes where necessary to satisfy the conditions described above; or

- (b) to modify their schemes without contracting out, but so as roughly to dovetail the graduated benefits and contributions under the national scheme into their existing schemes; or
- (c) to maintain their existing schemes as at present, meeting the extra contribution charge which the proposals would involve.

Some employers will experience difficulties in exercising the options open to them as the interests of different employees will not be identical. Employers may find it difficult to devise arrangements which command the support of a high proportion of their employees, particularly as the graduated benefits in the State scheme will not generally speaking represent nearly as good a bargain to the employer and the employee in relation to the graduated contribution paid as could be obtained from a life assurance office or under a properly established private scheme. The fact that contracting out will be possible on a selective basis for well-defined classes of employees does not fully meet these apprehensions as definition can, in any event, scarcely be by reference to level of earnings, as this may itself vary and particular individuals cannot be passing, between one pay period and another, to and from the condition of being contracted out.

(4) There will be difficulties in forming a view about future changes in the level of benefits, both flat-rate and graduated. [Future changes in benefits must be expected, but there is no provision in the Bill, as stated by a slip in our last issue (page 1) for automatic increases in benefits with the increases in contributions to be made in 1965 and at three quinquennial intervals after then—Editor, ACCOUNTANCY.] These difficulties will give rise to further complications in making decisions on the best course for the particular employer to adopt.

There are points of obscurity in the Bill, it may be significantly modified during its progress through Parliament (perhaps to take account of some such criticisms as those just set out) and the regulations to be issued under the Act are unknown. Thus it is too early for those responsible for any particular private scheme to take a view on the desirability or otherwise of contracting out, though many in that position will already be pondering on the *pros* and *cons*. This much is certain: no simple rule of thumb method can be used to decide which schemes or parts of schemes, if any, should contract out. Each case will have to be considered on its own merits.

Unit trusts are headline news these days, and there seem to be possibilities of tax reliefs for them this year. Our contributor reviews the present position of the unit trust movement and the practicability of some of the reforms that have been suggested.

What Set-up for Unit Trusts?

by Charles H. Walker, Ph.D.

Director, Municipal and General Securities Co., Ltd.

ALTHOUGH THE UNIT trust movement in this country is twenty-eight years old, it has never been organised into an Association capable of speaking for the whole movement. One reason is that for a considerable part of the twenty-eight years unit trust managers have been sharply divided into two schools of thought about their proper relationship to the trust and the unitholders.

Principals or Agents?

Unit trusts grow, as more and more units are issued, by the increase of the property deposited with the trustee. It used to be thought that the essential difference between two methods of providing for this growth depended upon whether the property deposited was cash or investments.

It was thought that if cash formed the increment to the trust property the managers would be acting as agents for the buyers of units in depositing it with the trustee in exchange for units, and that if the increment was in the form of securities, those securities would first belong to the managers. (The term "appropriation" was used to describe the process of depositing the securities.) It has now come to be realised that a "cash" increment can belong to the managers, and that the important question is whether the property, either cash or investments, belongs to the managers of the trust or to the general public. If it belongs to the managers, then the units which are issued when the property is deposited also belong to the managers in the first place. In other words, the mana-

They say—

- 'It will interest you to know that only recently I have had a query from my . . . office and another from . . . Neither point is mentioned in any textbook but within ten minutes of taking out my own 'Index to *Taxation*' I had the answer to both — one was in an issue of April 1942 and another in November 1953. It is amazing the number of obscure points of practice one can find in this way (I am always doing it) but these two are outstanding examples.' — (15550.)
- 'I can hardly conceive anyone who is called upon to deal with taxation matters being able to do so effectively without the assistance of *Taxation*. I personally have found that by keeping the back numbers of *Taxation* the detailed information which can be found on almost any point is better than a textbook.' — (16712.)
- 'We indicate to you the value of the correspondence columns of *Taxation*. The amount involved in our case was comparatively large, and we should like to say how much we appreciate the benefit derived from your correspondence columns.' — (16504.)
- *Mr. Harold Wilson, M.P., in the House of Commons:* 'There is a valuable weekly journal called *Taxation* and I hope that the Chancellor reads it regularly — if he does he will learn a great deal from it.'

They know—

Personal experience has taught them the value of



TAXATION

Subscription:

£4 5s 0d year, £2 4s 0d half-year, including postage.

Price 1/6 weekly

ORDER FORM

TAXATION PUBLISHING COMPANY LIMITED, 98 PARK STREET, MAYFAIR, LONDON, W1

Please send TAXATION for six months/one year £ : s d enclosed.

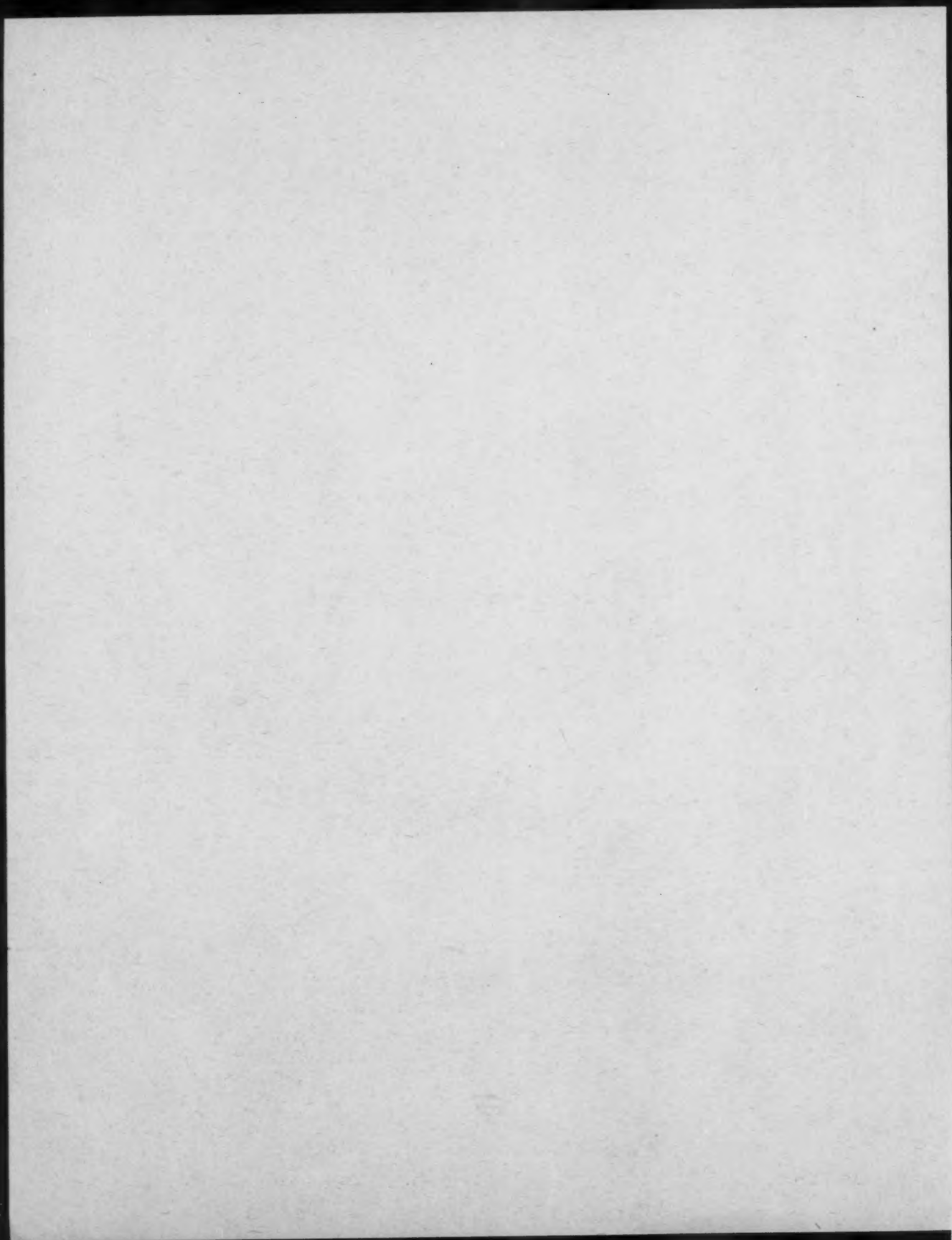
Name

Address

Date

ACCY 2/59

£4 5s 0d year, £2 4s 0d half-year, including postage.



gers are principals in the transaction and are crucially interested in (a) how many units they acquire in exchange for the property they deposit, and (b) the price at which they subsequently sell those units to the public. If, on the other hand, the units are issued direct to the public, then the managers are purely agents establishing fair terms (that is, the right price of units) as between existing unitholders of the trust and the new investors who are coming in.

All of this was seen, though perhaps not perfectly clearly, as long ago as 1936 when a Board of Trade committee reported on unit trusts. The committee saw the invidiousness of the manager's position when he acted as a principal but did not go so far as to recommend confining his position to that of agent; instead, the committee recommended that the interests of investors should be protected by exposing the manager's operations to "the full light of publicity," and that solution was put into practice under the Prevention of Fraud (Investments) Act, 1939, which came into force in 1944.

The main emphasis of the controversy has always been on the manager's position in the issue of units. It is obvious, however, that a similar problem exists also when units are being surrendered for cancellation and a proportionate part of the trust property realised. Here, however, the position is further complicated by a requirement (under Board of Trade regulations) for managers always to be prepared to repurchase units from unitholders and therefore to act as principals.

It is becoming increasingly felt that it is undesirable for managers to act as principals in any of their capacities, although it is recognised that they may have to do so in making a market in units so long as no market is provided elsewhere (as on the stock exchanges). In essence, to avoid the conflict of interest which we have described, managers should not be entitled to have units issued to themselves, and should not be obliged to repurchase units as principals; they might instead be obliged to procure the payment from the trust fund of the surrender value of units. Their position as principals would then be confined to the buying and selling of existing units where the provision of such a market was necessary.

This question of the managers' status has been brought to the fore in recent months by the making of a number of "block offers" of units by certain managements (and also by the public announcement by some other management companies that they do not favour this method of fostering the growth of their trusts). It may be seen that if the managers offer blocks of units at a fixed price, they must accept the risk that that price may not correspond to the issue price (or creation price) of units throughout the period when the offer is open. Clearly they cannot go on selling units at the advertised fixed price if the maximum issue price (which is fixed by the Board of Trade formula) falls below it, and if the issue price rises above the advertised fixed price, the managers stand to lose or, if they already own the units which they are selling, to forego a profit which they might have made. In these circumstances the managers are subject to a temptation to

adjust their price calculations to ensure success to the offer, and essentially they are acting as principals. One management company, trying to cling to a position as agent and yet to obtain the sales advantage of a block offer, has a unique clause in its trust deed, by which the risk of movement in the issue price of units in relation to the fixed price of the offer is borne by the trust itself. A recent offer under these provisions had to be prematurely closed and this incident has brought the ethics of the block offer sales technique into serious question. It is undeniable that the block offer, by creating the impression that units are available only for a short period, contradicts the essential feature of a unit trust—that, in the American term, it is "open-ended," and can create or liquidate units at all times.

It is sometimes argued that the managers must act as principals and cannot act purely as agents where a trust is comprised of securities with a poor degree of marketability. Opponents of this argument retort that marketability of the underlying securities is the foundation of a unit trust and that no unit trust should be built on an unsound foundation.

The interest which has been shown by the Conservative Party and the Government in unit trusts as a method of spreading share-ownership is bringing all these questions of status and practice to the forefront, and the future development of the unit trust movement depends very much upon clear and unequivocal thinking on the fundamental issues involved. It is noteworthy that in the United States, where "mutual funds" have grown enormously in the last fifteen years, the "agent or principal" problem no longer exists; the managers are all agents.

The current interest in unit trusts as a means of spreading share ownership has also resulted in two kinds of suggestion: (a) that the Board of Trade Rules controlling them should be altered and (b) that they should be granted certain tax reliefs.

The Board of Trade Rules

The Board of Trade Rules are made under the Prevention of Fraud (Investments) Act and it is widely demanded that more protection should be given to the unitholder wishing to realise his units by selling them to the managers. As things are, the unitholder can insist on getting the true realisable value of his holding, that is the break-up value resulting from the actual selling of underlying securities. But if he does not insist on his rights in this matter, and obviously very few unitholders know their rights, the managers are not breaking the law by paying him less. To remove the possibility of this abuse it is suggested that the managers should be prohibited from repurchasing at a price below the true realisation value. Secondly, "the full light of publicity" on managers' transactions in relation to the trust has been found in some quarters to be somewhat misdirected and confusing, and a revision of the form of presenting accounts has been called for. Here is a subject of obvious concern to the accountancy profession and it is surprising that so little attention has been paid to it. It is not an easy question, involving as it does the construction of a form of accounts

which will separate out "legitimate" profits arising from the holding of units or securities in a period of rising prices from "other" profits such as can come from the need to establish the price of a security when in fact no transaction has taken place for some time. Every dealer in securities knows that there may be, and usually is, a difference between a price obtained by enquiry in the market and a price obtained when a transaction is actually carried through. Where the managers act as principals these differences can accrue to the managers instead of to the trust, and it is difficult to formulate accounts which will expose the results clearly.

Tax Reliefs

The second category of reform concerns broadly the taxation liabilities of unit trusts. Certain of the suggestions are, in fact, demands for concessions with the object of promoting interest in unit trusts, but one reform is in a different category and is a demand for "common justice." Unit trusts serve broadly the same purpose as investment trust companies in spreading investment over a large number of different shares, and professional management is involved in both cases. But whereas the management expenses of an investment trust company are chargeable against gross income, those of the unit trust are chargeable only against net income. This arises from the circumstance that the unit trust is not in itself a taxable entity; it is no more than a conduit whereby a large number of individuals are connected to a pool of investments which they own in common. As individual investors are not allowed to charge the cost of managing their own investments against their gross income, they are equally not allowed to do so when those investments are held in common by means of a trust. An investment trust company is another matter. It is an entity and is allowed to reclaim income tax in respect of management expenses. It would seem logical that if unit trusts were given the same rights in respect of income tax they should be asked to accept the same liability as investment trust companies in respect of such matters as profits tax on "unfranked" income.

Recognition of the trust as an entity would probably be necessary also for implementing another suggestion, that income of the trust, or some part of it, should be distributed gross to unitholders. This idea has been put forward as a means of popularising unit trust investment among those people who are not liable for much income tax and who may be put off, under present arrangements, by the trouble of filling in forms and so on, to obtain repayment of tax already deducted at source before the income reached the trustees. If unit trusts were to be allowed to reclaim tax on the whole of their income, so as to distribute gross, it would not be so formidable an administrative task as would be created by a more restricted scheme involving the reclaiming of enough tax to pay out gross a proportion of the trust income—for example, the first £15 to every unit holder or the entire income to holders of a small number of units.

What is more practicable is the suggestion that transfer stamp duty and settlement duty should be reduced or

abolished. Agitation for the reduction or abolition of transfer stamp duty covers a wider field than just unit trusts, though it is argued in some quarters that as unit trusts are thought of as the poor man's investment medium, there are grounds for a concession in their favour.

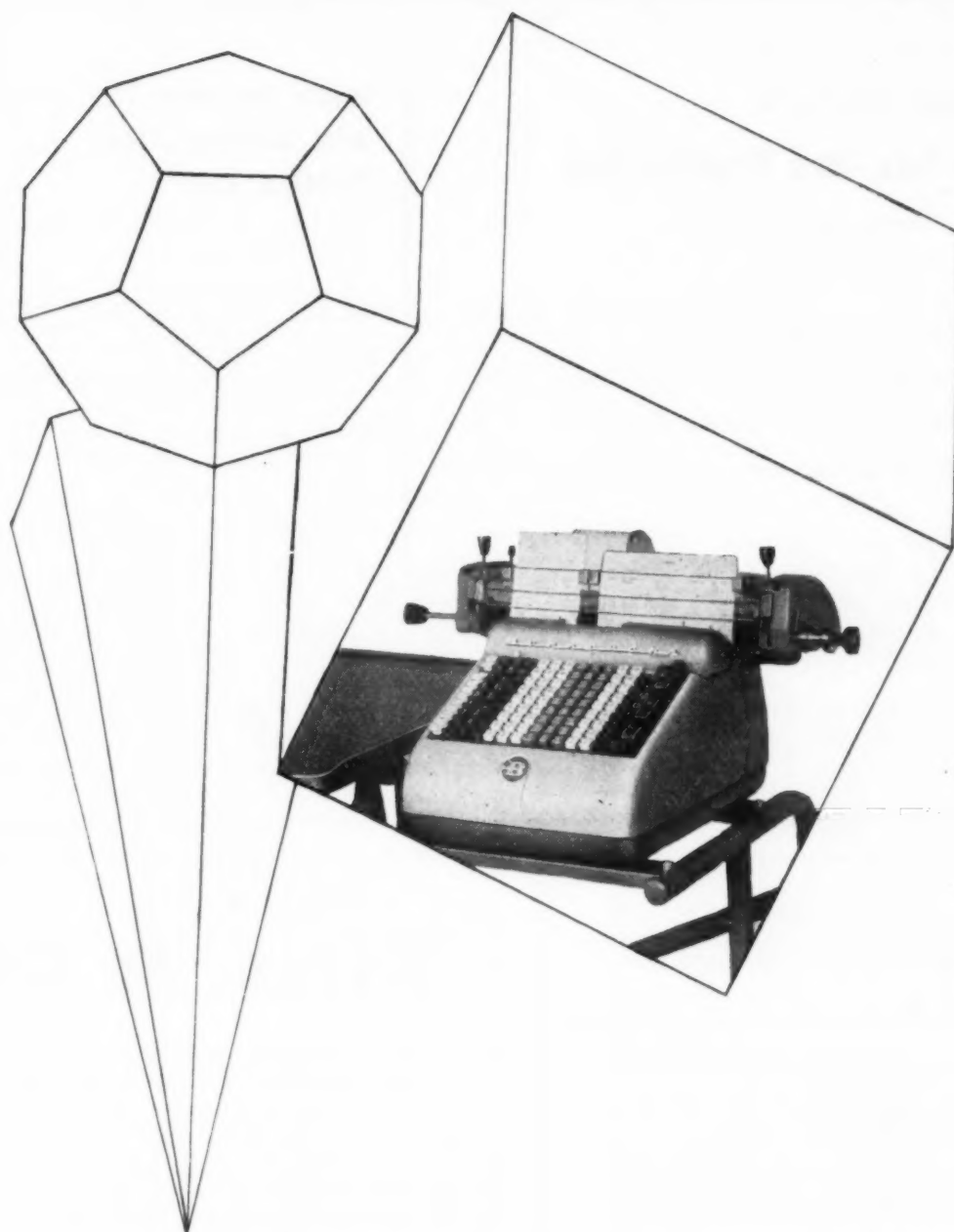
Settlement duty is peculiar to trusts and was originally, perhaps, an effort to bring trusts more or less into line with investment trust companies which have to pay capital duty. The incidence of settlement duty, one quarter of one per cent. on the value of the property deposited, is small and therefore it is argued that the Revenue would not be giving up much in giving this little encouragement to the unit trust movement.

These are the topics which are likely to be prominent in any discussion of the means of fostering interest in equity investment by means of unit trusts, and the only question that remains is where the debate should take place. So far as taxation is concerned, the answer is clearly that it is a matter for the Chancellor and the government to decide. So far as the Board of Trade rules are concerned, Sir David Eccles has already said that he would welcome suggestions from unit trust managers. So far as the principles of operating unit trusts are concerned, to provide the greatest possible safeguard for the interests of investors the obvious forum for discussion is an Association of unit trust managers themselves, and it is to be hoped that efforts now being made to create such a body will be successful.

+ Accountancy

+ The air mail edition of ACCOUNTANCY is
 + available either for subscription on a
 The inclu- + permanent basis or for odd periods
 sive subscrip- + (for example, to cover a tempor-
 tion to the air + ary stay abroad). It is printed on
 mail edition for a + special thin paper, and the
 year is £4 4s. to any + overseas subscriber receives
 part of the world. The + each issue only a few days
 charge for shorter + after publication on
 periods is proportional. + the twentieth of the
 The addition of £2 14s. to the + month in London.
 normal charge of £1 10s. covers +
 only the cost of air mail postage, +
 that of the special paper being borne +
 by ACCOUNTANCY.

by Air +



**A
FULL-SCALE
AUTOMATIC
ACCOUNTING MACHINE
FOR THE
SMALLER BUSINESS**



Now *every* business can profit from automatic accounting. The new low-cost Burroughs Director 600 offers big-machine features at small-machine prices! It will bring you fast, easy operation; greater output through increased efficiency; lower accounting costs; up-to-the-minute management reports.

From single-total utility models to versatile, fully-automatic accounting machines, there's a low-cost Burroughs Director 600 available to modernize your accounting system.

Contact your local Burroughs office, or write direct to Burroughs Adding Machine Limited, 356-366 Oxford Street, London, W.1. Telephone: Hyde Park 7061.

BURROUGHS DIRECTOR 600

Spicer and Pegler's Income Tax and Profits Tax

The Twenty-third Edition

by H. A. R. J. WILSON, F.C.A.

This new edition incorporates the provisions of the Finance Act 1958, and has once again been adopted by the Institute of Taxation for distribution to its members.

Price 30s: Post free UK 32s.

Irish Income Tax and Corporation Profits Tax

by H. A. R. J. Wilson, F.C.A., and
F. N. Kelly, B.A.

This book is primarily for the use of students but it is also suitable for those who require a reference book well illustrated by practical examples. A Supplement covering the changes made by the Finance Act 1958 is now available to this title price 5s. (5s. 3d. post free).

*Price 40s. (including supplement)
Post free UK 36s. 9d.*

H.F.L. (Publishers) Ltd

10 EARLHAM STREET, CAMBRIDGE CIRCUS, LONDON, WC2

£1 per month
will provide a Sum Assured of
£411 which, with Bonuses* could
amount, at age 60, to
£771

These figures relate to an approved life aged 25 next birthday who effects a with profit Endowment Assurance maturing at age 60.

* It is assumed that Bonuses, on the average, will equal the current interim rate of £2 10.- % p.a. but this cannot be guaranteed as they will depend on future profits.

For MUTUAL satisfaction - consult

**NATIONAL PROVIDENT
INSTITUTION**

for

MUTUAL LIFE ASSURANCE

—Established 1835—

54 GRACECHURCH ST., LONDON, E.C.3

Telephone: MANSion House 1481

KING & CO

SURVEYORS, VALUERS & AGENTS

OF

FACTORIES

71 BISHOPSGATE, LONDON, E.C.2

London Wall 7201 (5 lines)

Amalgamation of companies involves a transfer of property. The net is spread wide, but not all forms of legal property are brought into account.

Transfers of Property on Company Amalgamation

[CONTRIBUTED]

THE CONVENIENT PROVISIONS for the amalgamation of companies to be found in Sections 206 and 208 of the Companies Act, 1948, were introduced by the Act of 1929. The procedure removed much of the complexity of the former system by allowing an arrangement to be made for transfer of an undertaking by way of amalgamation without incurring the necessity of a winding up. Once a winding up is avoided there is no longer a liquidation to control the transfer. By the device of a vesting order, property that previously had to be conveyed can be transferred without further act or deed. And as there is no winding up a special power to order dissolution is given by Section 208 (1) (d). An early dissolution is in most cases anticipated. The assets of the transferor company are vested in the transferee company, which also takes over and is responsible for the liabilities of the transferor company.

There has thus been provided a much more rapid mode of carrying out a reconstruction or amalgamation while avoiding a winding up, an improved procedure akin to the various modern conveyancing provisions made in other statutes. Vesting orders affecting property are familiar to lawyers in many connections under special statutes. The scope of such orders under Section 208 of the Companies Act is very wide but they are not completely comprehensive, as the leading case of *Nokes v. Doncaster Amalgamated Collieries, Ltd.* [1940] A.C. 1014, shows. The House of Lords there overruled the unanimous decision of a Court of Appeal composed of particularly experienced company lawyers. This case has now been followed, in a different application, by Sachs, J., in *In the Estate of Skinner* [1958] 1 W.L.R. 1043 (briefly reported in our last issue, pages 612-3).

What cannot be transferred

The ruling of the House of Lords made clear that schemes and orders made by virtue of Sections 206 and 208 can transfer only such rights, powers, duties and property as are capable of being lawfully transferred by a party to the scheme if no such Sections of the Companies Act existed.

This principle overrides or qualifies the operation of the powers of the court, "either by the order sanctioning the compromise or arrangement or by any subsequent order" to "make provision for all or any of the following matters:

- (a) the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of any transferor company;
- (b) the allotting or appropriation by the transferee company of any shares, debentures, policies, or other like interests in that company which under the compromise or arrangement are to be allotted or appropriated by that company to or for any person;
- (c) the continuation by or against the transferee company of any legal proceedings pending by or against any transferor company;
- (d) the dissolution, without winding up, of any transfer or company;
- (e) the provision to be made for any persons, who within such time and in such manner as the court directs, dissent from the compromise or arrangement;
- (f) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation shall be fully and effectively carried out."

In this provision of Section 208 the expression "property" includes "property, rights and powers of every description," and the expression "liabilities" includes duties.

All these wide words were held insufficient in the case of *In the Estate of Skinner* to cover the transfer the powers and duties of an executor from the transferor to the transferee company.

In the actual transfer or vesting order it is unnecessary to burden it with a full description or specification of all the properties of the company. It is equally unnecessary to negative the transfer of property, such as personal contracts, which cannot be transferred. A schedule to the order setting out in detail the property and rights and liabilities affected can be, and sometimes is, used but such a schedule is by no means essential. A ruling to this

effect was given in *In re "L" Hotel Co., Ltd. & Langham Hotel Co., Ltd.* [1946] 1 All E.R. 319.

No transfer of personal powers and duties

After stating in the recent case that it is not necessary in a scheme or order to exclude specifically from its operation things incapable of such transfer, Sachs, J., said that any order in furtherance of a scheme of amalgamation "must be taken to operate in a manner not repugnant to the general law of England." He added:

If, however, on a proper construction of the terms of a scheme, some part of it happens, by inadvertence, expressly to order an act which, had there been no scheme, the parties could not, either in relation to the interests of third parties or otherwise, bind themselves to do, then that part of the scheme would, in my view, have to be treated as a nullity in so far as it purports so to order. To my mind, this latter principle equally applies where a scheme expressly prohibits an act which the parties could not, under the general law of this country, bind themselves to refrain from doing.

The background to the questions arising in *In the Estate of Skinner* was a court order of July, 1957, sanctioning a scheme of arrangement and amalgamation under Section 206 between Grindlays Bank, Ltd. (Grindlays), its members and the National Bank of India, Ltd. (National) at which date the whole of the £500,000 issued capital of Grindlays (all of which was fully paid up) was beneficially owned by National. The scheme provided for the transfer to National of the whole of the assets and liabilities of Grindlays but not "property vested in Grindlays as . . . the personal representative of any deceased person" or any liabilities of Grindlays as the personal representative of a deceased person under the scheme. Grindlays was to continue in existence but would, at some future date, be dissolved. Clause seven of the scheme provided that, after the transfer date, Grindlays should not take out, or cause to be taken out, any grant of representation to the estate of any deceased person, but should continue until dissolved to act as the personal representative of any deceased person whose personal representative it was at the transfer date.

The order sanctioning this scheme was followed on November 7, 1957, by a vesting order under Section 208 giving effect to the provisions of the scheme and providing, among other things, that "all proceedings pending by or against the transferor company on January 1, 1958, other than those to which the transferor company is a party as the personal representative of any deceased person, be continued by or against the transferee company."

In August, 1955, Grindlays had commenced an action for probate of a will of March, 1954, of which they were the executors. In this action defendants set up a will of 1948 of which Grindlays were the sole executors, and another defendant alleged that the deceased had died intestate. In April, 1956, Grindlays were appointed administrator pending suit of the estate, and at that date they had already so acted as executors under the 1954

will as to disentitle them to renounce that position. The question was whether either Grindlays or National could or should continue the probate action and whether either of them could or should act as personal representative of the deceased under either the 1948 or the 1954 will.

It was held, in the first place, that no property of the deceased purported to have become vested in National by virtue of the scheme, nor could any provision of the scheme or the order of November 7, 1957, on its true construction lay upon National any of the rights, duties or powers of an executor of the deceased. National was not, therefore, entitled to be substituted as plaintiff in the action nor could it be so substituted, and probate of either will could not be granted to National.

It was further held that the office of executor being according to the general law an office of personal trust, the rights, powers and duties of an executor could not be assigned by him nor could he properly assign property held by virtue of his office in the course of carrying out his duties thereunder. It has already been stated that Sachs, J., held that orders under Section 208 could only transfer such rights, powers, duties and property as were capable of being lawfully transferred. It followed that if clause seven purported to prohibit Grindlays from taking out a grant of representation in the action, the clause was to be disregarded and treated as of no effect. The result was that Grindlays should continue to act as plaintiffs in the action and as executors under either the 1949 or the 1954 will.

Contracts of service not transferred

A contract of service previously existing between an individual and the transferor company does not automatically become a contract between the individual and the transferee company. This is the essence of the House of Lords ruling in *Nokes v. Doncaster Amalgamated Collieries, Ltd.* A miner in the employment of the transferor company went on working as before after the amalgamation had taken effect. He did not know that a new company had taken over. He absented himself from work in circumstances which would have made him liable under Section 4 of the Employers and Workmen Act, 1875, if he could be regarded as being under a contract of service with the new company. The final decision was that he was not liable as he was not under a contract of service with the new company. A contractual right to personal service is a personal right of the employer and is incapable of being transferred by him to anyone else. And a duty to serve a specific master cannot be part of the property or rights of that master capable of becoming, by transfer, a duty to serve someone else.

A contrary conclusion, said Viscount Simon, L.C., "would be at complete variance with a fundamental principle of our common law—the principle, namely, that a free citizen, in the exercise of his freedom, is entitled to choose the employer whom he promises to serve, so that the right to his services cannot be transferred from one employer to another without his assent." It was held that the Companies Act did not provide a statutory exception to this principle.

CAPITAL FOR BUSINESS

*Long term loans and
share capital
for small and medium concerns*

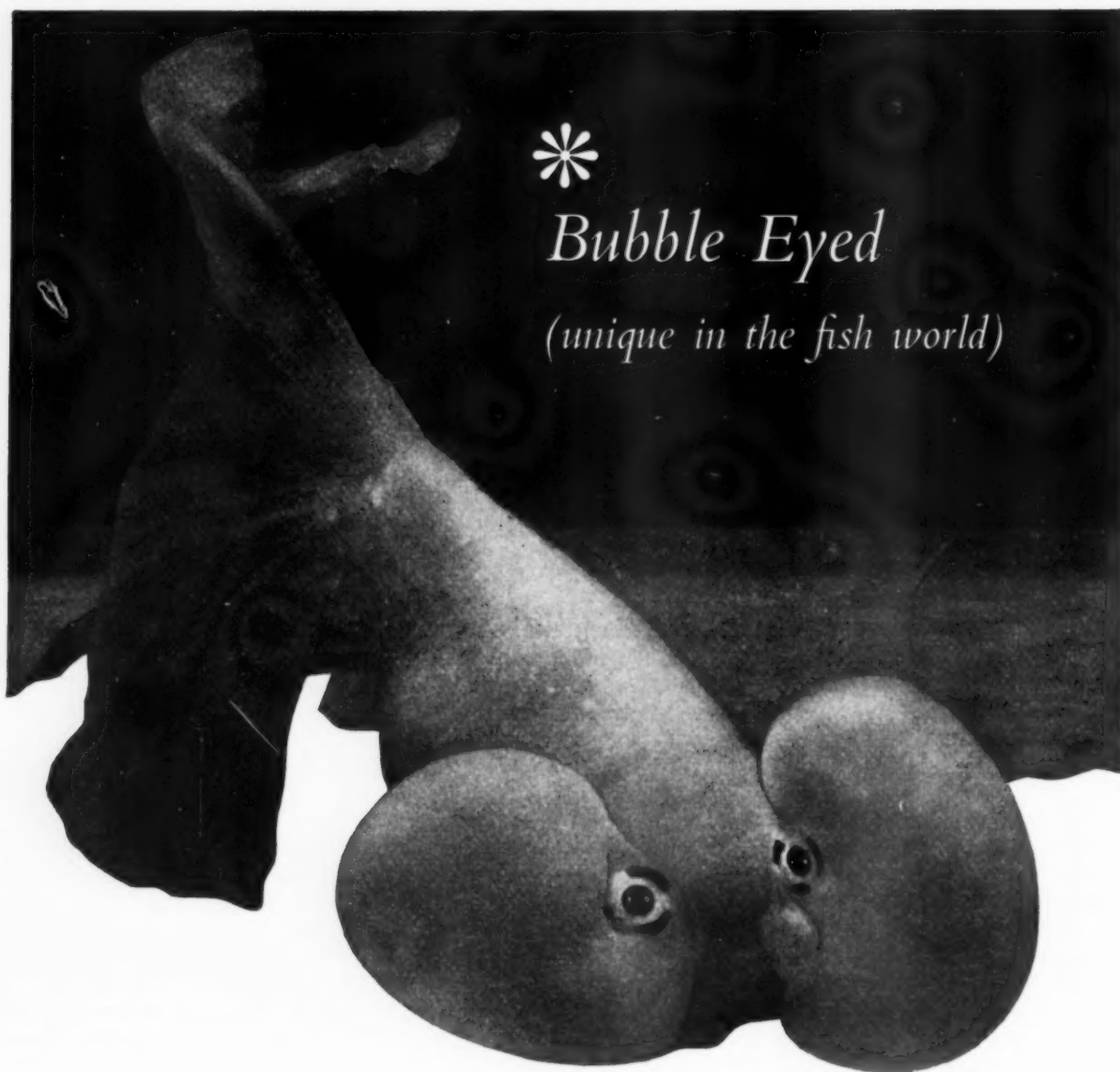


*Industrial & Commercial
Finance Corporation
Limited*

Shareholders: The English and Scottish Banks

*Our booklet, G1, 'Capital for Business and Where to Find It',
will be sent on request*

7 Drapers' Gardens, London, E.C.2 Telephone NATional 8621-5
and branches in
Birmingham, Leicester, Manchester, Leeds and also Edinburgh



Unique it may be, in the fish world, but not after
 hours of copying figures in the wages office. If you
 feel *your* eyes are going to "Pop" then it's time to install a
 BILLING BOARD SYSTEM by

Twinlock

REGD. TRADE MARK



IF IT'S A

PERCY JONES (*Twinlock*) LTD

37 CHANCERY LANE, LONDON, W.C.2.

Tel: CHAncery 8971

HEAD OFFICE & WORKS: ELMERS END, BECKENHAM, KENT

LOOSE LEAF BUSINESS SYSTEM — think of Twinlock



A picture of the one and only "Bubble Eyed" Goldfish. Published by permission of T. Horeman of London

In favour of the view that the Act did provide an exception it was argued that the only transfers which the Section can authorise are transfers of the undertaking of one company to another, and that if the employer is a company, the servant can have no direct contact with the artificial entity but of necessity deals with and acts under the orders of the agents of the company. Moreover, the change involved in a wage-earner serving the new company in place of the old is, in normal cases, no greater than the change he would experience when the company which he is serving throughout changes its directors, its managers, its shareholders, its scope of operations, and its name, all of which it may do without losing its identity. It is, however, fallacious to suppose that arguments on these lines would remove all difficulty in transferring contracts for personal service.

If, for example, one of the companies to be amalgamated has a long-term contract with an individual to be sole manager of its undertaking, what would happen when the transfer takes place to a new and enlarged company? The remuneration may be quite inadequate, or the individual may be quite unsuited, for so extended a responsibility. Again, if each of half a dozen amalgamating companies has such a contract with its manager, the suggested interpretation of the Section appears to lead

to absurdity. Many contracts simply cannot be dealt with by substituting a new employer for the old. Any difficulties arising in connection with such contracts must be disposed of at the time of transfer by negotiation leading either to a new engagement or to compensation. There should be no great practical difficulty in the old company announcing to its employees that the undertaking is about to be transferred to a new company, giving the necessary notice to terminate existing engagements and informing the wage-earners that the new company is prepared to re-engage them on the same terms, and that continuing service after a named date will be taken as acceptance of the new offer.

The word "contract" does not appear in Section 208 and the House of Lords did not agree with the view that a right to the service of an employee is the "property" of the transferor company. Such a right cannot be the subject of gift or bequest; it cannot be bought or sold; it forms no part of the assets of the employer for the purpose of administering his estate. In short, the Section when it provides for "transfer" is providing, to quote Viscount Simon, "for the transfer of those rights which are not incapable of transfer and is not contemplating the transfer of rights which are in their nature incapable of being transferred."

Accountant at Large

On Working to Rule

"THAT'S WHAT HAPPENS," said the Inspector of Taxes bitterly, "when you get something for nothing."

It was perhaps a little improper of the Inspector to refer in this way to the fact that the General Commissioners were unpaid, but he had certainly had a disappointing morning. One of the better-known characters of the district had done his laudable best to preserve the family fortunes, after one or two unfortunate deaths, by the execution of certain documents necessary to put the house in order again. The Inspector of Taxes had taken a tech-

nical point, but the General Commissioners supported the contentions of the taxpayer, and were not to be shaken in their views by the observations of "any of these smooth-tongued gentlemen from the South," as Counsel for the Crown himself expressed it later. (He usually took his lost cases philosophically).

On being informed of the adverse decision of the Commissioners, the Inspector had asked in the usual way that his dissatisfaction should be formally expressed, so as to pave the way for an appeal. Upon this the Commissioners had indicated that

they found as a fact, in favour of the taxpayer, an absence of the intention which was essential to the case of the Crown. As Counsel for the taxpayer had conceded in his opening that this intention had been present, it appeared unlikely that an appeal would be a straightforward matter.

The Inspectors of Taxes, and those to whom their contentious cases are passed for decision at a higher level, have a very difficult moral task in the selection of those decisions of the lower tribunals that they will accept and those that they will challenge. It costs nothing for them personally to ask for a case to be stated for the decision of the High Court on a point of law, and if it is their firm opinion that the Commissioners have erred it is manifestly their duty so to ask. They have to bear in mind, though, that the taxpayer sometimes has to think twice before incurring the ex-

pense of a hearing before the High Court, whilst few indeed can contemplate the prospect of a visit to the House of Lords. It sometimes savours of oppression if the Revenue attempts to push its own views on a point of law too vigorously in the face of adverse decisions from the Bench.

This little problem illustrates one of the very large and growing number of difficulties in the system of taxation in this country. They are not so much problems of law (for these can always be solved by reference to the courts), but of the technique of applying the rules—problems of what we might call, if Potterisms were not so overworked nowadays, rulesmanship. The Inspector of Taxes, and all those who take the weight of the decision off his shoulders once the point of litigation is reached, have to consider not only what the rules are but also how they should be applied, and it is the weakness of our system that there is room for a great deal of misapplication by the Revenue without an effective remedy for the taxpayer.

To take our opening example to the next step—the consideration of an appeal on a point of law by way of case stated to the High Court. The Inspector of Taxes (the term is used for convenience to cover all the Revenue officials) knows that if he allows the matter to rest with the decision of the General Commissioners, his duty will, superficially, appear to have been done, and the taxpayer will certainly be satisfied. To this extent a favourable decision from the Commissioners is sincerely to be welcomed by the taxpayer. If, on the other hand, the Inspector regards it as his duty to proceed to the High Court, the taxpayer is inevitably involved in a certain amount of irrecoverable expenditure, whether the appeal is successful or not, and to that extent a decision by the Commissioners which appears to be unduly in favour of the taxpayer is something of a mixed blessing.

The difficulty is that the Revenue is too flat-footed or, to put it another way, too heavy-handed, to use the courts as an instrument of justice as they may be used between two equal citizens. When the Revenue

decides that too many businessmen are running semi-private luxury cars out of business expense accounts, it cannot take every borderline case to the courts to establish the correct proportion of the taxation allowances for the business in certain typical instances (a course which would undoubtedly be desirable) because that would be somewhat oppressive on the unfortunates chosen as a test case. Possibly it might also be inconclusive, because of the introduction of a number of individual considerations peculiar to each chosen guinea pig. An extreme case is therefore taken, in which a farmer runs a Bentley (*G. H. Chambers (Northiam Farms) Ltd. v. Watmouth*, 1956, 1 W.L.R. 1483), and from the opinions expressed by the Judge the Revenue has to work out a set of guiding rules for the assistance of the Inspectors of Taxes. But the judgment in the extreme case is more or less a foregone conclusion, and does not add to the certainty of the law for the average taxpayer. He is in consequence unfortunately forced to run his affairs in accordance with the rules circulated for the guidance of the local Inspectors. These rules are not always available to the taxpayer, and have no sanction by Parliament or the courts, yet they are nevertheless applied in practice with the force of law. Any challenge is disproportionately expensive to the borderline sum in dispute.

An example of the lengths to which such practices may take the Revenue occurred in the case of the establishments for the training and racing of horses (*Sharkey v. Wernher*, 1956, Appeal Cases, 58). The House of Lords decided that when a person ran two activities, one a trading activity and the other a recreational activity, and assets were transferred from the trading activity to the recreational activity, the proper credit in the books of the trade was the market value of the assets transferred, and not the cost of acquisition.

The Revenue promptly applied some of the more extreme *dicta* of the House of Lords in this case to the consumption by a family grocer of

his own trading stock, a subject which the House of Lords can scarcely have had in mind, and by means of a circular to all Inspectors of Taxes attempted to force all traders to charge themselves a taxable profit on their family consumption by crediting the sale price of all goods withdrawn from trading stock.

A similar difficulty arises when it comes to a criminal prosecution by the Inspector. When the lawyers themselves are reduced to the use of two synonymous terms—tax avoidance and tax evasion—to differentiate between what is legitimate and what is criminal, it is not to be wondered at that the ordinary citizen's view of the distinction becomes a little blurred at times. The Inspector of Taxes does not, in consequence, prosecute in every case in which he suspects that someone has been evading by illegal means the due payment of his taxes. To do so would often be oppressive, and very expensive all round. Instead, he prefers to select those cases in which he is sure that his prosecution will be successful. What better case, therefore, than when the taxpayer in error makes a full confession of his mistakes and places his books of account unreservedly at the disposal of the Inspector?

Unfortunately, this method of selection fails to appeal to the public sense of fairness: there is a general feeling that if a man commits an offence and then "comes clean," as they used to say, and pays the penalty to the Revenue, that ought to be the end of the matter as far as he is concerned. The more sophisticated offender should suffer the ignominy of prosecution. In any event, it will scarcely be to the ultimate advantage of the Inspector if it comes to be felt that the best hope of avoiding prosecution is to lie low, refuse to furnish information, and generally be as obstructive to the Inspector as possible. If the public could feel that it paid to co-operate with the Inspector, even after a lapse, it might be possible to avoid much of the tired dissatisfaction with the state of the nation which our Inspector expressed in the opening paragraph.

Taxing the Pen

The Practising Author

Money may be made from literary activities in many ways. The most obvious is by the profession of author. The word "author" is here used to include a person carrying on the activity of writing fiction or non-fiction in the shape of books, plays, articles or scenarios for films or television. He is taxed under Case II of Schedule D on his professional income derived from exploiting the work "of his brain and his pen." As Lord Keith of Avonholm observed in the recent decision of the House of Lords in the case of *Carson (H.M.I.T.) v. Cheyney's Executor* ([1958] 3 All E.R. 573—see ACCOUNTANCY for December, 1958, page 664):

The methods of exploitation may take various forms. He may arrange for publication of his works and retain the profits of sale, after deduction of publishers' and printers' and other expenses, for himself. He may sell the copyright of his works in return for lump sum payments, or for royalties on sales, or for both. He may grant use of his works for translation, for film or stage production purposes, for broadcasting or in other ways. He may accept commissions to produce books on agreed terms.

There are several cases in which lump sums received by authors for sales of copyright have been held taxable. In *Billam v. Griffith* (23 T.C. 757) the appellant, a barrister, practised as such until 1935, when he accepted a paid appointment. While holding the appointment he wrote a play which was produced in London and for which he received royalties, which were admittedly taxable. Later, he sold the film rights for a lump sum and, under two agreements for production of the play on the Continent, received sums in advance of royalties. The appellant had attempted to write other plays, which had not been staged, but regarded his writing mostly as a hobby. He had written another play since the one produced. Lawrence, J., held that the finding of the Commissioners that the appellant was carrying on the vocation of dramatist was reasonable. His Lordship likened the plays of a dramatist to his circulating capital, his brain being his fixed capital. Accordingly, if the vocation of dramatist was carried on and it was an ordinary incident to realise plays by way either of royalties or of outright sale, the proceeds were taxable.

An unusual agreement was considered in *Glasson (H.M.I.T.) v. Rougier* (26 T.C. 86). The taxpayer's wife wrote novels under the name of Georgette Heyer. She had granted to a publisher the publishing rights of three novels, in return for royalties calculated according to the number of copies sold. While still carrying on the profession of author she agreed with her publisher to cancel

the previous agreement in respect of the three books and to transfer outright to him the same rights in return for a lump sum. It was held that the fact that the transaction was an isolated one did not make the lump sum any the less a part of her professional profits. Those profits were assessable whether received by means of royalties or payment for sale of copyright. A subsidiary argument of the Crown, accepted by the learned judge, was that the lump sum was paid in commutation of the publisher's liability to pay royalties (which were admittedly subject to tax) and was therefore income.

A novelist may receive a sum in respect of the grant of film rights in a novel written by him. Such a sum is still an income receipt of his profession. Such a case was *Howson (H.M.I.T.) v. Monsell* (31 T.C. 529). The novelist had retained the copyright in all her novels, receiving royalties based on the number of copies sold.

In 1943, Sir Compton Mackenzie sold the copyright in various of his books for £10,000. He had written these books between 1911 and 1930, while resident abroad. He normally realised profits from his books by means of continuing royalties. His argument, that the £10,000 was a capital receipt because the outright sale of copyright was an exceptional way for him to exploit his work, was rejected. He had incurred in the material years, in writing the books, expenses which he claimed were deductible. The Court of Appeal held that they were not, as they were not incurred in the year in which the proceeds of sale of copyright were received. The only sum deductible was £1,000 in respect of an agent's commission for negotiating the sale—*Mackenzie v. Arnold (H.M.I.T.)* (33 T.C. 363).

Rather different from the preceding cases was that of *Household v. Grimshaw (H.M.I.T.)* (34 T.C. 366). The appellant had been an author since 1936, save for the war years, but before 1943 had sold no film rights in any of his works. In 1943 he entered into an agreement with a film company, Metro-Goldwyn-Mayer. Under this agreement, the appellant was, *inter alia*, to render to M.G.M. his exclusive services in writing stories, etc., for twelve consecutive weeks in each of the three years from the commencement of his "employment" with the film company. M.G.M. were to have the film rights in each novel by the appellant published before the expiration of the three years. M.G.M. were to pay the appellant the sum of £200 per week during the "employment."

The agreement was implemented for the first twelve weeks but later M.G.M. wished to terminate it. By deed each party released the other from its obligations under the 1943 agreement. The appellant was to receive £3,000

and granted to M.G.M. an option in respect of the film rights in his next three novels.

The appellant claimed that the £3,000 (less agent's charge) was received in cancellation of a contract of employment the profits of which were assessable under Schedule E and were therefore not chargeable by reason of the decision in *Henley v. Murray* (31 T.C. 351). An alternative argument was that the structure of his profession was changed by the abrogation of the agreement of 1943 and that the £3,000 was a capital receipt. Upjohn, J., did not accept these arguments, holding that the £3,000 was a receipt of the appellant's profession of author and taxable as such.

Other Cases

It is clear, then, that the rewards for literary activity received by a practising author are taxable under Schedule D, Case II, no matter what shape they assume. Such rewards received by a person not carrying on the profession of author at the time may escape tax or may be charged under other Cases of Schedule D, depending on the circumstances.

In the case of *Earl Haig's Trustees v. C.I.R.* (22 T.C. 725) the trustees put the late Lord Haig's war diaries (the copyright in which belonged to them) at the disposal of a biographer who made full use of them in writing the biography. The profits to be derived from the sale of the biography were to be equally divided between the biographer and the trustees. The copyright remained in the trustees, subject to the licence granted to the biographer to make use of them for the purposes of the book. As Lord Normand said: "The result of the transaction is that to a large extent the publication value of the diaries is exhausted, because the author has in fact made full use of the material so far as the public interest permitted, though it may be that in future years further use of the diaries may be practicable and permissible." It was held that sums received by the trustees under this agreement were capital payments.

The above case was distinguished in *Hobbs v. Hussey* (H.M.I.T.) (24 T.C. 153). The appellant agreed with the editor of *The People* to write his life story for that newspaper for a payment of £1,500 in instalments. The appellant dictated his story and corrected the proofs. He had previously prepared accounts of episodes in his life, from notes in his possession and from his diaries, but had not engaged in any literary activities before or after the preparation of the newspaper story. He retained no copyright in it. Lawrence, J., held that the £1,500 (less expenses) was chargeable to tax under Case VI of Schedule D. The appellant was not carrying on the profession of author. The true nature of the transaction was the rendering of services, not the realisation of capital. The case confirms the opinion of Rowlatt, J., in *Ryall* (H.M.I.T.) v. *Hoare* (8 T.C. 521). Discussing, *obiter*, the scope of Case VI, he mentioned the case of casual authorship.

Now, a man may carry on no business and no profession; he may not be a journalist, he may not be an author, but he may be called upon to write an article for

a paper for reward. He may find that there would be a demand for a single book from his pen, as a traveller, a soldier, a sailor or a statesman or what not. Now, it seems to me that all cases of that kind . . . are instances of casual profits . . .

The profits were to be taxed under Case VI. The case of *Hobbs v. Hussey* was followed in the recent decision of *Housden* (H.M.I.T.) v. *Marshall*. For the facts, see this issue of ACCOUNTANCY, page 90.

In *Beare* (H.M.I.T.) v. *Carter* (23 T.C. 353), Dr. Carter had written a book of which five editions had been published. No other book written by him had been published. In 1935 he agreed with the publishers that a sixth edition should be published and that they should pay him £150 for the licence to publish that edition of 1,050 copies and that the payment should include such editorial work as was necessary to ensure the accuracy of the edition. The revision was in fact done in about one and a half hours. In the High Court the Crown agreed that the £150 should be treated as having been paid merely for the licence to publish the sixth edition. It was sought to charge the £150 to tax under Case VI of Schedule D. The Special Commissioners held that the sum received was capital and Macnaghten, J., held that there was evidence to support their conclusion. This decision was explained by Macnaghten, J., in *Glasson v. Rougier* (see above) on the ground that Dr. Carter was not following the profession of author.

An author who disposes of the copyright in a work of his for a lump sum after ceasing to carry on his profession is not taxable on the proceeds. In 1897, N. obtained from Rudyard Kipling the right to dramatise his novel, *The Light that Failed*. She wrote and produced the play and was entitled to the copyright in it. In 1914 it was agreed between Mr. Kipling and N. that the entire control of the film rights in both novel and play should be in his hands and that one-third of the sums received by him in respect of the film rights should be paid to N. From time to time N. received sums under this agreement in respect of rights granted to film companies. In 1939, an agreement was made between Mr. Kipling's personal representative and a film company under which the exclusive film rights in both novel and play were granted to the company for ten years in consideration of a payment of £8,000. One-third of this was paid to N. It was found by the Special Commissioners that she was not carrying on the profession of author at the material time. The Crown accordingly sought to charge her to tax under Case VI of Schedule D. The House of Lords decided that there had been an outright sale of part of a capital asset—namely, the copyright. The proceeds of such a sale were not taxable, not being received in the course of the profession of author—*Withers* (H.M.I.T.) v. *Nethersole* (28 T.C. 501).

Post-Cessation Receipts

It is obvious that it would be unfair and impracticable to tax an author under Case II on an "earnings" basis. The "cash" basis therefore applies, with the result that "post-cessation receipts" escape tax, either in his hands

By ringing CITY 6112

you can get immediate

calculating and accounting

service at short notice

In your offices or on our own premises under confidential supervision

The value of an independent and mobile calculating service is being appreciated more and more by commercial and industrial firms. It will pay you to keep in mind the special advantages of the complete services offered by Ajax. Ajax can completely take over all your calculating work or operate as an extension of your own department when you are under temporary pressure.

Summary of the Services

1. Instant services upon receipt of a written or telephone request.
2. Operative staff available (with machines as necessary) to tackle any calculating problem, either on your premises or ours, by day or week.
3. Strict and confidential supervision of all operators' activities.

4. Our assurance that you get the maximum value for every minute of operator's working time.

Ajax Calculating Service undertakes all forms of calculating, including the following:—

ADDITIONS OF LEDGERS	MARK UP
ADDITIONS OF STOCK SHEETS	PERCENTAGES
BILLS OF QUANTITY	PAPER CALCULATIONS
COMPOUND INTEREST	PRO-RATING
COSTING · DRY MEASURE	SIMPLE INTEREST
ENGINEERING CALCULATIONS	SQUARE ROOTS
ESTIMATING	STATISTICS
EXTENSIONS OF STOCKSHEETS	SLIP ADDING
FOREIGN EXCHANGE	SPECIFICATIONS
GROSS QUANTITIES	TIMBER CALCULATIONS
GLASS CALCULATIONS	TONNAGE · WAGES
INSURANCE PREMIUMS	YARDAGE EXTENSIONS
INVOICING · LIQUID MEASURE	YARDAGE ADDITIONS

AJAX

CALCULATING SERVICE LIMITED

9 BOW LANE, LONDON, E.C.4

CPN/BAJ/1

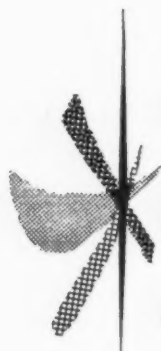
This coupon will bring you full details

To AJAX CALCULATING SERVICE LIMITED
Dept. AC, 9 Bow Lane, London, E.C.4.

NAME _____

COMPANY _____

ADDRESS _____



THE MODERN ACCOUNTANT

is alert to his opportunities for arranging insurances for his clients, and advising them as to the benefits which can thereby be secured.

The Norwich Union, progressive in outlook and with funds of £160,000,000, offers a wide range of policies on attractive terms to suit the individual needs of business men. With more than 100 branch offices in the United Kingdom the Societies provide a prompt and efficient service to their agents.

NORWICH UNION



INSURANCE SOCIETIES

Head Offices:

12-20 Surrey Street, NORWICH, Norfolk

IN AN ANSON OFFICE —

NEW MACHINE ELIMINATES MISTAKES

halves P.A.Y.E.
work preparation

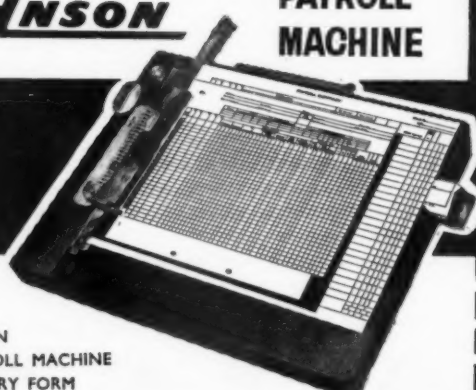
Banish the time wasting costly drudgery of making useless repetitive entries in Wages Book, Taxcards, Payslips and Wages Envelopes. Essential entries for each employee are completed in one operation with no risk of transcription errors with the Anson P.A.Y.E. Machine. One entry only for three records means one single proof only for 100 to 1,000 employees to ensure accuracy. Any wages clerk can use the Machine without special training.

The Anson Payroll Machine has the approval of the Inland Revenue and is suitable for any firm employing more than sixteen people. It costs less than a typewriter. Rental terms if required.

Every Anson P.A.Y.E. Machine is guaranteed for life and will pay for itself in 12 months.

Make sure you start the New Tax Year right.

The first step is to complete and return the coupon below.



ANSON
PAYROLL
MACHINE

1959
ANSON
PAYROLL MACHINE
INQUIRY FORM

Please send full details of the **ANSON PAYROLL MACHINE** without obligation.

Please pin completed coupon to your letterheading and post to George Anson & Co. Ltd., Solway House, Southwark Street, London, S.E.1. Tel. WATERloo 2711 (10 lines).

Name..... Title.....

Company

Address.....

..... No. Employed.....

Telephone No..... A

or, if he be dead, in the hands of his personal representatives. As Rowlatt, J., put it in *Bennett v. Ogston*, 15 T.C. 374 (page 378):

When a trader or a follower of a profession dies or goes out of business . . . and there remain to be collected sums owing for goods supplied during the existence of the business or for services rendered by the professional man during the course of his life or his business, there is no question of assessing those receipts to income tax; they are the receipts of the business while it lasted, they are arrears of that business, they represent money which was earned during the life of the business and are taken to be covered by the assessment made during the life of the business, whether that assessment was made on the basis of bookings or on the basis of receipts.

This statement of the law was approved by the House of Lords in *Stainer's Executors v. Purchase* (32 T.C. 367). The case concerned an assessment made on the executors of Leslie Howard, the film actor, in respect of payments made to them under contracts for the exploitation of films to the making of which Leslie Howard had given his professional services as actor or producer. The payments consisted of shares of the profits of exploitation. During his lifetime he was assessed under Case II of Schedule D on receipts less allowable deductions. After his death further payments were made to his executors under the same contracts. It was not suggested that anything further had to be done to earn these payments. The House held that they escaped tax.

An attempt was made by the Crown to distinguish this case, in *Carson (H.M.I.T.) v. Cheyney's Executor* (*supra*). Peter Cheyney, the detective story writer, carried on his profession by entering into contracts with publishers under which, for royalties of varying amounts, the copyright in his works became vested in them. The contracts took various forms. In some instances, the work had not been written or at any rate completed at the date of the contract. In others the work had been completed at the date of the contract and there was therefore an existing copyright in it. In one instance, the contract took the form of a licence to translate an existing work into French.

During his life, Peter Cheyney was assessed under Case II of Schedule D on the receipts from royalties less allowable deductions. After his death it was sought to tax his executors on the royalties arising under contracts of the types mentioned above, entered into by Cheyney. The House of Lords held that the income from all the kinds of contracts mentioned fell to be treated in the same way and was not taxable. Payments which were the fruit of professional activities did not change their character on the death of the author. The argument that the contracts were "income-bearing assets," and that the payments to the executor were income from such assets, was rejected. The contracts enjoyed no such independent life. Peter Cheyney wrote for money, not for contracts. The payments were, both before and after death, professional earnings, and the mechanism through which they were paid did not alter the character in which they were taxed. The difficulty in the case arose merely from the fact that

the professional income was taxed on a receipts, and not an earnings, basis.

Lord Reid's words, though *obiter*, should be noted:

. . . there is an essential difference between (the present) case and the case of a person who buys a copyright from the author and then proceeds to exploit it by granting licences to publishers . . . The fees which the purchaser gets . . . are from the beginning taxable as annual payments to him, irrespective of whether the author is still practising his profession; they are no part of the author's professional earnings.

Statutory provisions

The legislative provisions directly bearing on literary activities are few.

By Section 470 (1) of the Income Tax Act, 1952, where the usual place of abode of the owner of a copyright is not within the United Kingdom, Section 170 of the Act shall apply to any payment of or on account of any royalties or sums paid periodically for or in respect of that copyright as it applies to annual payments not payable out of profits or gains brought into charge.

By sub-Section (2), where the payment is made through an agent, resident in the United Kingdom, who is entitled to deduct commission, the commission is to be deducted from the payment for the purposes of the Section. If the person by or through whom any such payment is made does not know commission is payable, or does not know its amount, tax is computed and accounted for on the undiminished payment. On proof of the facts to the satisfaction of the Special Commissioners, the agent on behalf of the copyright owner may obtain a repayment of tax in respect of the commission.

For income tax purposes, the time of the making of a payment is the time when it is first made, not the time when it is subsequently made by or through an agent (sub-Section (3)). An agreement for making a payment caught by the Section in full and without deduction of tax is void (sub-Section (4)).

The definitions in sub-Section (1) should be noted:

"copyright" does not include a copyright in any dramatic work being a cinematograph production, or in any artistic work being a photograph intended to be used for the purposes of the exhibition of pictures or other optical effects by means of a cinematograph or other similar apparatus; and

"owner of a copyright" includes a person who, notwithstanding that he has assigned a copyright to some other person, is entitled to receive periodical payments in respect of that copyright; and the reference to royalties or sums paid periodically for or in respect of a copyright does not include royalties or sums paid in respect of copies of works which are shown to the satisfaction of the Special Commissioners to have been exported from the United Kingdom for distribution outside the United Kingdom.

The Right to Spread

Section 471 of the Income Tax Act, 1952, "spreads" lump sums received on sale of copyright, in specified circumstances. By sub-Section (1), where:

- (a) an author of a literary, dramatic, musical or artistic work assigns the copyright therein wholly or partially, or grants any interest in the copyright by licence; and
- (b) the consideration for the assignment or grant consists wholly or partially of a lump sum payment the whole amount of which would, but for this section, be included in computing the amount of his profits or gains for a single year of assessment; and
- (c) the author was engaged on the making of the work for a period of more than twelve months

he is entitled to relief, as follows:

(1) If he was engaged on the making of the work for two years or less, then, for income tax purposes, one-half only of the payment is treated as having become receivable on the date on which it actually became receivable and the remaining half as having become receivable twelve months before that date (sub-Section (2)).

(2) If he was so engaged for over two years the amount of the payment is spread over three years of assessment in equal parts (sub-Section (3)).

A claim under the Section must be made to the Commissioners of Inland Revenue within six years of the end of the relevant year of assessment (sub-Section (4)). (The time limit, formerly one year, was extended by the Finance Act, 1958, Section 23 and Sixth Schedule).

A person aggrieved by the decision of the Commissioners may appeal to the Special Commissioners and thence to the High Court (sub-Sections (5) and (6)).

In Section 471, "author" includes a joint author and "lump sum payment" includes an advance on account of royalties which is not returnable.

Section 22 (1) of the Finance Act, 1953, applied the provisions of Section 471 to any payment of or on account of royalties or sums paid periodically, except for payments for copyright becoming receivable more than two years after first publication. "First publication" means the first occasion on which the work, or a reproduction of

it, is published, performed or exhibited (sub-Section (3)).

By sub-Section (2), a claim under the combined Sections shall have effect as a claim with respect to all such payments in respect of the copyright in the same work as are receivable by the claimant, whether before or after the claim. A claim may be made at any time not later than April 5 next following eight years after first publication. (The time limit, formerly three years, was extended by the Finance Act, 1958, Section 23 and Sixth Schedule.)

Section 22 applies to payments falling to be included in computing profits for the year of assessment 1953/54 and subsequent years.

Conclusion

To sum up, the following principles seem to emerge from the cases.

An author carrying on his profession is taxable on his profits therefrom under Schedule D, Case II, no matter whether his receipts are royalties or proceeds of sale of copyright. Post-cessation receipts escape tax. Cessation includes death and, presumably, retirement. What "retirement" is may be a question of difficulty.

Tax is charged under Case VI of Schedule D on an isolated excursion into writing.

The owner of a copyright which he has not brought into being may part with it completely, as by assignment or by permitting it to be dealt with in such a way that its usefulness is spent: the proceeds of such a disposition are not taxable. Or the owner may use the copyright in such a way that (subject to the fact that it is a wasting asset) its capital value is preserved: the proceeds are then taxable as annual payments.

The relevant statutory provisions are the Income Tax Act, 1952, Sections 470 and 471, and the Finance Act, 1953, Section 22.

Problems in Profits Tax

by J. S. Heaton, F.C.A.

Computation of Profits

SECTION 25 of the Finance Act, 1958, provides that profits tax shall be charged at 10 per cent. from April 1, 1958. Abatement will be computed as before, but from April 1, 1958, there is no discrimination between retained and distributed profits. Before considering the transitional provisions governing accounting periods which include March 31, 1958, there have to be mentioned some changes affecting the computation of adjusted profits.

The first deals with annual payments passing between interconnected companies. These payments had been regulated by Section 42 (5) of the 1938 Act, as amended by Section 69 of the Finance Act, 1948. The latter Section is now repealed, so that the position as it was to 1948 is restored. Any interest, annuity, royalty, rent, or other annual sum paid by a company which is either resident, or carrying on business, in the United Kingdom to another company (wherever resident or carrying on



WAGES DILEMMA - heads confer.

Solution in sight with Kalamazoo "Three in one" Wages method.
Employee's record, Pay Roll and Pay Advice written in one operation . . .

fewer mistakes in copying . . .

much less time overall . . .

Table A virtually eliminated . . .

satisfied employees . . .

and a magnificent range of designs to select from . . .

plus tuition for your staff.

See the same idea applied to Salaries Records also. Complete this coupon and get your copy of "Saving time in preparing the weekly Pay Roll".

To Kalamazoo Ltd., Northfield, Birmingham 31.
Please let me have details of the Copy-Writer
method for —

PLEASE TICK
1. Wages Pay Roll.
2. Office Salaries.
Please also let me have "Saving time in preparing
the weekly Pay Roll".

Name

Firm

Address

Kalamazoo



A PROFITABLE INVESTMENT



A Postcard for a Copy of our illustrated "D.P." Booklet, will give you the essence of 50 years' experience in designing and manufacturing a range of Manual Accounting Systems.

It will reveal how, by a minimum capital outlay, and a moderate maintenance cost, you can effectively accomplish many of your Accountancy problems.

Truly a most profitable investment.

The Book is Unique, Interesting, Original and Informative.

It places you under no obligation whatsoever.

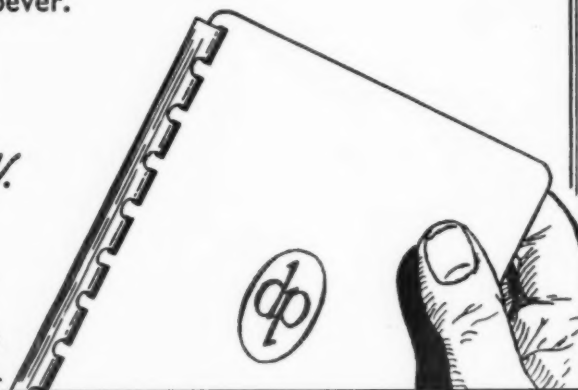
WHY NOT SEND FOR A COPY NOW?

to

Alfred Gilbert & Sons Ltd.

Creators of *Duplicate Posting* Systems
REGISTERED TRADE MARK

WOLVERLEY WORKS, THE HYDE, LONDON, N.W.9



THE
AFRICAN LIFE
ASSURANCE SOCIETY LIMITED
(INCORPORATED IN THE UNION OF SOUTH AFRICA)

BEST FOR
ANNUITIES

Example:

MALE 68

**YIELD £12-8-0 p.a. (HALF YEARLY
INSTALMENTS)**

Registered Office for the United Kingdom:
CITY WALL HOUSE, FINSBURY PAVEMENT,
LONDON, E.C.2
TELEPHONE: MONARCH 5906/7

The First Company Registration Agency.
Established 113 years ago by Mr. Charles Double at 14-15 Serjeants
Inn, Fleet Street, and Officially appointed Agent.

CHARLES DOUBBLE LIMITED
COMPANY REGISTRATION AGENTS, COMPANY PRINTERS
COMPANIES REGISTRY

Information and assistance rendered to the profession in all matters relating
to the Formation, Incorporation and Winding up of Companies.
Mortgages, Charges and Debentures Registered.
Annual Returns, Resolutions and other documents stamped and filed.
Searches made and Office Copies obtained.
Company Forms.

COMPANY PRINTING
Memorandum and Articles of Association, Resolutions, Debentures, Share
Certificates, Dividend Warrants, etc., printed with care and expedition.
Draft Memorandum and Articles of Association for a Private Company
adopting with modifications Table A of the Companies Act, 1948, settled by
Alexander P. McNabb, Barrister-at-Law (Lincoln's Inn). Post Free 3/9.

PROBATE REGISTRY
(*SOLICITORS ONLY)

*Papers Lodged with Estate Duty Office.
*Lodging Papers for Grant of Probate and Letters of Administration.
Searches made for Wills and Administrations and Copies obtained. Searches
in General Registry for Births, Marriages and Deaths and Copies obtained.

GENERAL

Bills of Sales Registered and searches made.
Powers of Attorney, Stamped and filed.
Deed Polls and other documents enrolled.
Searches made in Probate and Divorce.
Documents Stamped and Denoted.
Adjudications carried through.
Particulars delivered, Stamp obtained.
Documents lodged for Assessment of Penalty.
Registration and Searches made in the following: Land Charges, Land
Registry, Trade Marks, Patents and Design Registry, Business Names Regis-
try, Deeds of Arrangements, Bankruptcy, Enrolments with Charity Commission.

ADVERTISING

Legal and other advertisements inserted in *London Gazette* and all English
Dominion and Foreign Newspapers.

SERVICE

We welcome your enquiries in all the above matters, assuring you of our very
best and prompt attention.

10 BELL YARD, TEMPLE BAR, LONDON, W.C.2

TELEPHONE:
HOLBORN 0375

TELEGRAPHIC ADDRESS:
DOUBBLE, ESTRAND, LONDON

business) is disallowed to the payer and excluded from income of the recipient, if the relationship of parent and subsidiary exists between them or they are fellow subsidiaries of a third company. Such was already the position when a group notice was in force, and all cases will now be on the same basis. The limited group election under Section 69 (5) ceases to be applicable. (Section 25 (2), Finance Act, 1958.) Annual payments for the purpose here discussed should be those from which there is the right to deduct income tax on payment. There are indications that the Inland Revenue might be favouring a wider interpretation.

The second new rule of computation affects industrial and provident and building societies. All may treat dividends, bonuses or similar distributions to members on share accounts as interest on borrowed money. The amount to be deducted by building societies for interest on shares and loans may be grossed by reference to the composite rate of income tax, when they have entered into the usual arrangement with the Inland Revenue. On the other hand, the overriding maximum to the profits tax liability of a building society (2 per cent. of profits before deduction of share or loan interest) is withdrawn. The recipient of such interest or distribution must in all cases include it for profits tax, and, in the case of building society interest, the amount credited is to be grossed at the standard rate of income tax. There is now, therefore, to be no distinction for profits tax between share and deposit interest credited by building societies—the gross equivalent is always to be brought into the computation. (Section 26 (2) and (3), Finance Act, 1958.)

The remaining computation amendments are of limited application. Income from a controlled statutory undertaker is no longer to be excluded from the profits of a body corporate by which it is controlled; and interest paid by nationalised undertakings is no longer to be disallowed under Section 40 (3), Finance Act, 1947, and Section 40, Finance Act, 1957, but a recipient authority must include the interest in its computation of profits (Section 26 (1), Finance Act, 1958).

All these changes apply from April 1, 1958. It follows that, for accounting periods which extend beyond the end of March, 1958, computations for the whole period should be made, firstly, on the basis of the old law, and, secondly, on the new basis. The first computation will be apportioned on a time basis up to March 31, 1958, and the second on a time basis from April 1, 1958.

Time Limits

Originally, assessments were to be made within six years after the end of the chargeable accounting period, but the time limit was removed by Section 35 (1), Finance (No. 2) Act, 1945, probably to facilitate re-opening of computations necessitated by corresponding amendments for excess profits tax. The six-year rule is now restored (Section 27, Finance Act, 1958) as from January 1, 1959, except in the following cases:

1. Assessments required to make good to the Crown profits tax lost attributable to fraud or wilful default.
2. Assessments for the last chargeable accounting

period of a trade or business arising from subsequent distributions where the business ceased before April 1, 1958. Where, however, the person assessable has given notice to the Commissioners of Inland Revenue that the final distribution has been made, an assessment must be made within a year of that notice.

3. When a longer time is allowed by specific profits tax enactments (for example, for recoveries of enemy debts, Sections 39 and 40, Finance Act, 1950, and currency restrictions on overseas profits, Section 21 (2), Finance Act, 1953).

4. When an income tax assessment is permissible in respect of the same matter.

An error or mistake claim may be made within six years after the assessment is made, and notice of appeal against a determination of the Commissioners on such a claim may be given within thirty days of the notification of that determination.

Transitional Provisions—Apportionments

Dealing firstly with matters of apportionment, it is noticeable that no guidance is given by Section 25 or the Seventh Schedule. This is because standing transitional provisions were laid down by Section 29 (3) and the first three paragraphs of the Fourth Schedule, Finance Act, 1956. It follows that:

1. A new chargeable period commences on April 1, 1958.

2. Computations of adjusted profits are to be made on the income tax principles which are applicable at the end of the accounting period.

3. Profits of an accounting period which extends beyond March 31, 1958, will be apportioned on a time basis (unless the Commissioners of Inland Revenue agree to some other basis) as between the parts up to and after that date. This apportionment is made before abatement is calculated. The abatement will then be calculated separately for the chargeable periods which make up the accounting period. For this purpose, the scale figure of £12,000 will be treated as £1,000 for each month in the chargeable period, and it is suggested that franked investment income should be taken into account at the amount received in the chargeable period. There is no express provision for apportionment of franked investment income on a time basis, but arguments for that method on general grounds were advanced in note (1) to illustration (1) at page 349 of ACCOUNTANCY for July 1958. Incidentally, franked investment income will now be relevant only in this context.

4. Gross relevant distributions are to be computed for the whole accounting period and apportioned on a time basis as between the underlying chargeable periods (see below on distributions after the cessation of a business). Special provisions relating to dividends will be separately considered. Loans to members of director-controlled companies made at any time in the accounting period will be part of the gross relevant distributions which are to be apportioned. Loans made after March 31, 1958, and before the end of the accounting period then current, would accordingly appear to attract proportionately the distributed rate. On the other hand, repayment of loans calls only for adjustment of net relevant distributions of the chargeable accounting period in which repayment is made.

5. The separate gross relevant distributions for each chargeable period will be reduced to net amounts in the usual way.

Transitional Provisions—Cessation of Business

Particular interest attaches to distributions made after March 31, 1958, on cessation of the trade or business, including those made in liquidation. When a company was in liquidation on that date, it is clear that distributions made thereafter (unless excepted as capital) will be related back to the final chargeable accounting period, and will accordingly attract the appropriate rate of profits tax. On the other hand, where liquidation does not commence until after the expiration of an accounting period which ends after March 31, 1958, it is clear that no distribution charge can be made. For example, if accounts are made up annually to September 30, liquidation commencing after September 30, 1958, will be clear. The final chargeable period will run from October 1, 1958, to date of liquidation and provisions relating to distributions are not applicable to any part of that period; this would be true also if accounts had been made up annually to June 30, 1958, and an account was made up for three months to September 30, 1958, liquidation following after the latter date. Intermediate cases are more difficult, when liquidation commences after the first accounting period which ends after March 31, 1958. Assuming annual accounts to June 30, 1958, and cessation of business on that date, followed shortly afterwards by liquidation, what is the position? According to Section 35 (1) (c), Finance Act, 1947, the distributions made in liquidation which are not excepted as capital form part of gross relevant distributions for the last chargeable accounting period. That period would run from April 1, 1958, to June 30, 1958, and the distribution provisions do not apply. The matter does not, however, appear to rest there. Under Section 37 of the 1947 Act, where chargeable and accounting periods do not coincide, the gross relevant distributions are to be computed for the whole accounting period and apportioned on a time basis. This provision would imply that the distributions in question are to be related to the year ended June 30, 1958, and apportioned as to nine-twelfths to the chargeable accounting period to March 31, 1958, and three-twelfths to the final chargeable accounting period to June 30, 1958. In this way, a major part of the liquidation distributions still bear the distributed rate. It may be argued that Section 35 (1) (c) clearly attaches the post-cessation distributions to the final chargeable accounting period and that the provision for apportionment in Section 37 is not required and not applicable. Further, both Section 35 (1) (c) and Section 37 are repealed from April 1, 1958, by Part II of the Ninth Schedule, Finance Act, 1958. Logic and common sense cannot guide us in these contexts, and there is nothing in Section 37 to exclude its application to Section 35 (1) (c). It is clear that the last word has not yet been said on this subject, but it is surprising that no attempt appears to have been made to clarify it during the passage of the last Finance Bill through Parliament.

Cessation difficulties do not end there. What is the

position where a trade or business ceases before April 1, 1958, and liquidation does not take place until after that date? There are several possibilities. In the first place, we assume cessation of a trade or business before that date, followed by investment of realisations. If liquidation has taken place since then, or, indeed, if it takes place in the future, are distributions to be related back to the last chargeable period? There are two material provisions to be considered. Firstly, all trades or businesses within the charge to profits tax which are carried on by the same person are to be treated as one trade or business for profits tax (Section 43 (1), Finance Act, 1947). Secondly, the holding of investments or other property shall be deemed to be a business within the charge to profits tax when those are the whole or main functions of a company (Section 19 (4), Finance Act, 1937). It has not been necessary to await the effect of the Finance Act, 1958, for judicial authority, as a recent case, *Carpet Agencies Ltd. v. C.I.R.* (1958, T.R. 341), covers the point. A merchanting business had ceased on March 31, 1953, and dividends were declared in 1954 and 1955 which were not expressed to be paid for any specific period. Investments had been held by the company, which went into liquidation shortly after the date of the later dividend. It was held that the dividends were gross relevant distributions of the last chargeable period of the business, ended March 31, 1953. Mr. Justice Harman stated that "in order to get within Section 19 (4) you must prove not merely that the company is one that happens to hold some income-bearing investments, but that one of its functions, that is to say, one of its purposes, has always been, or has been for a considerable time, the making of money by the holding of investments." The learned Judge also found that the last chargeable period mentioned in Section 35 (1) (c) of the 1947 Act may mean *latest*, and that liquidation is not necessarily involved at that stage. This decision, unless reversed, can only spread alarm and despondency in many quarters.

It is understood that continuity will be accepted when a company carried on two trades or businesses, one of which ceased before April 1, 1958, and the other continued; and when one trade ceased before April 1, 1958, followed, without distributions, by another commencing after that date.

Transitional Provisions—Group Notices

The new structure of profits tax calls for reconsideration of the effect of grouping notices and paragraph 2 of the Seventh Schedule of the Finance Act, 1958, allows six months from August 1, 1958, or longer time allowed by the Commissioners, for revocation of existing notices as between all or any of the companies which are included, with effect from April 1, 1958. This provision will not authorise revocation of a grouping notice given after August 1, 1958, unless it was effective for a period beginning before March 31, 1958. For example, a notice might have been given between August 1 and September 30, 1958, with effect for a period ending March 31, 1958. This notice may be withdrawn before February 1, 1959, with effect from April 1, 1958.

What indications point to the revocation of a grouping notice? When the distribution aspect does not arise, it is clear that group treatment will cease to be beneficial in many cases. Loans to a director-controlled parent company may be made by a subsidiary without profits tax consequences (except as to interest). In general, it seems that losses within the group will provide the main motive for continued group treatment (although the provisions for subvention payments have provided a convenient alternative). This may also apply when the parent is a holding company and there would otherwise be no profits tax relief for management expenses or interest on borrowed money. Abatement must also be considered.

A life assurance company may withdraw an election, following the same timetable, to include as profits of its life business, income of a subsidiary which is an investment company (Paragraph 5, Part III, 8th Schedule, Finance Act, 1947).

An interesting point arises in that it would seem possible to give another grouping notice which would nullify a revocation under paragraph 2 of the Seventh Schedule of the Finance Act, 1958. The new notice would be irrevocable.

Transitional Provisions—Dividends

The final aspect of these provisions relates to dividends. It was no doubt too much to hope that the change could be made without involving this subject. The difficulty from the Revenue standpoint lay in Sections 35 (1) and (2) of the 1947 Act, since those provisions direct the relation back of dividends declared after the end of a chargeable accounting period. The time-lag is generally six months, but notice could have been given by January 31, 1948, for nine months, or twelve months for companies with overseas interests, whilst the Commissioners have power to extend the period when they are satisfied that a dividend could not reasonably have been declared within six months after the end of the period. When the changes were announced, therefore, there was still ample time to have taken avoiding action in many cases, by reducing dividends, followed, perhaps by a compensating declaration beyond the allotted span. This avoidance could not be countenanced by the Revenue, and the usual heavy artillery has been brought up.

The concept is that of a comparison between dividends included in the gross relevant distributions for the standard period, and dividends included in the gross relevant distributions for any subsequent period up to March 31, 1958. If the dividends for the latter period fall short of those for the former, the general rule is that gross relevant distributions for the latter period are to be increased by a notional amount, representing dividend at the difference between the two rates, calculated on paid up share capital at the end of the chargeable accounting period. The first question is: What is the standard period? It is either:

1. The last accounting period the gross relevant distributions for which could not be affected by a dividend

declared on or after Budget day, April 15, 1958, or

2. The last accounting period for which the company in general meeting had, before Budget Day, finally decided the total amount of the dividends.

As to (1), the general period is six months, as mentioned above. It is not entirely clear that this period is increased to nine or twelve months, when Section 35 (3) has been invoked, but it is assumed that this will be so. Subject to this, the last normal accounting period which could be a standard period would have ended on September 30, 1957, since a dividend declared on or after Budget Day could not affect gross relevant distributions for that period. As to (2), the standard period may end later, if, for example, accounts to December 31, 1957, were approved and dividends declared in general meeting before Budget day. When such a declaration was not made until after Budget day, but followed a public announcement of directors' recommendation before Budget day, the dividend will be treated as having been decided before that date. When the appropriate accounting period is of less than usual duration, it may not be treated as the standard period unless the Commissioners are satisfied that the duration was determined before Budget day.

The next concept is that of the rate of dividend. This concept involves:

1. The paid-up share capital at the end of the period, ignoring capitalisation issues since the end of the standard period, whether from distributable profits or capital reserves.
2. The dividends included in gross relevant distributions for the period.
3. Expressing the dividends in (2) as a monthly rate of the paid-up capital in (1), fractions of a month being treated as a whole month.

See on all this the examples in ACCOUNTANCY for June, 1958 (page 293) and July, 1958 (page 349).

There are the following relieving provisions:

1. There is an overriding maximum to the amount which is to be added to distributions. This must not, when added to actual dividends included in those distributions, exceed three-fifths of the profits of the period, as adjusted for profits tax, computed before abatement, but including franked investment income. That proportion is a rough measure of the maximum gross dividend which could be declared out of profits when the distributed rate of tax applied. This provision, coupled with an unusual disparity between divisible and adjusted profits, has enabled some companies to restrict the dividend for the last period affected by the distributed rate, and to declare a special dividend for the next period.

2. The Commissioners have a discretionary power to reduce the rate of dividend for the standard period if it appears to be just to do so. It must be shown to the Commissioners that the dividends included in gross relevant distributions for the standard period comprised an amount of an exceptional nature, or the rate of dividend was exceptionally high for other special reasons which are unrelated to the amount available for distribution, and that in consequence the rate of dividend for the standard period is an inequitable measure for comparison. The decision of the Commissioners of Inland

Revenue may be the subject of an appeal to the Special Commissioners.

3. There is relief when the reduced dividend is a consequence of reduced earnings, but this is to be judged on the basis of the whole period from the end of the standard period to April 1, 1960 (or date of cessation of business, if earlier). The rate of dividend for the whole period is to be computed, figures for underlying accounting periods being averaged, and distributions computed as if the relevant provisions were still in force. Next, the rate of earnings is to be computed for the same period. This rate will be an average of rates for underlying accounting periods, each being calculated as a proportion of adjusted profits (before abatement) and franked investment income to paid-up share capital at the end of the period. If both the rate of dividend and the rate of earnings for the period to April 1, 1960, are less than for the standard period, relief is due. For this purpose, the dividend for the standard period will be treated as the higher of the two following rates:

(a) The rate of dividend from the end of the standard period to April 1, 1960, and

(b) The rate which comprises:

Rate of earnings for whole period	×	Rate of dividend for standard period
Rate of earnings for standard period		

This relief is to be given by repayment, and the notional

addition to distributions will have increased the profits tax liability in the meantime. It is assumed that the rate of earnings will be treated as nil for any period in which a loss is sustained, and that it will not be possible to deduct the loss from profits of other parts of the whole period, having regard to the fact that the rate of earnings is to be computed for each period of account and that it is the rates so calculated which are to be averaged.

The long delay before relief can be established seems most inconvenient.

In conclusion, the following observations are made:

1. A new company may have no standard period, so the transitional provisions will not apply. Dividends could be delayed beyond six months after the accounting date or declared without expressing the period to which they are related.

2. Controlled companies should not consider their new position without bearing in mind possible surtax repercussions, particularly if reconstruction is contemplated.

3. The discrimination against raising capital in Preference shares, compared with loans and debentures, is now removed.

4. How long will political factors permit of a single rate of profits tax?

Taxation Notes

Working Papers in Back Duty Cases

At its last meeting the Council of the Institute of Chartered Accountants in England and Wales approved the issue for the guidance of members of a statement on the production to the Inland Revenue of members' working papers in back duty cases. The statement is given on page 109 of this issue.

More on *Gourley*

It will be recalled that the Law Reform Committee, in its report to the Lord Chancellor last August, was unable to make any recommendations about whether the law as decided by the case *British Transport Commission v. Gourley* [1956] A.C. 185 should be changed. The case established that the liability to tax of a person entitled to damages was required to be taken into account in assessing the damages, if the damages themselves were not taxable. Some members of the Law Reform Committee considered the new state

of the law as unsatisfactory, others did not wish to change it (see *ACCOUNTANCY* for August, 1958, page 383, and for September, 1958, page 461).

The Law Reform Committee for Scotland has now reported to the Lord Advocate on the same subject (Command 635, H.M. Stationery Office, 1s. net). The Scottish Committee is not divided in its views and conclusions, as was the Committee for Great Britain, but comes out unanimously and firmly for not altering the law as decided by the *Gourley* case. There is the proviso that the issue should be reconsidered after a period of years—a proviso expressing what was in fact the only point upon which the members of the English Committee were agreed—but the proviso is entered only because experience may possibly show that there are some practical difficulties in applying the *Gourley* principle. One such possible difficulty is that a person claiming damages may be an agent for principals whose

identity is undisclosed and whose tax position may accordingly be unascertainable.

The Scottish Committee elaborates upon the difficulty that, while in an action for damages the court must decide whether the damages will be subjected to tax in the recipient's hands, the Crown, not being a party to the action, will not be bound by the decision, so that the court, if it decided that the damages would not be subjected to tax, would reduce the amount which otherwise would have been awarded, but subsequently the recipient might nevertheless be taxed on the reduced damages. To avoid the difficulty, the Committee recommends that there should be provision to enable the court, in cases in which difficult questions of tax liability arise, either (and preferably) to order intimation to the Crown with a view to appearance by or on behalf of the Board of Inland Revenue as a party, or to invite the Lord Advocate to attend and present arguments suggested by the Board.

The Committee, taking note of an argument put forward by the Institute of Chartered Accountants of Scotland, to the effect that many unknown factors have to be taken

if yours
is an
average
sized
business

the chances are that a Monroe AP-all-purpose calculator will do all the figuring you require—quickly, accurately, economically. If not, well Monroe's long specialist experience will help you to make the shrewdest choice from their range of eighteen models—and Monroe's expert after-sales service will ensure that you get the very best out of your machine. Monroe Calculators range from the simple, hand-operated LN 160 to the Monroe Duplex 88N, the world's most advanced machine. Among the eighteen models in this comprehensive range is one that will undoubtedly suit *your* business and, what's more, *your* budget.

*For further particulars write,
or telephone:*
**Monroe Calculating Machine
Company Limited,
Bush House, London, W.C.2.
COVent Garden 0211**

the **MONROE**



calculator

Fast · Accurate · Dependable · Simple · Sturdy · Economical

SALES ANALYSIS

There are many methods of analysis available to executives but the qualities they look for must surely be promptness, accuracy, cheapness and flexibility.

These qualities are bound to suffer strain especially where there is a variation in the load of work, as with a seasonal trade.

That is why so many businesses send such work to MADIC, thus ensuring a regular timetable irrespective of load, complete accuracy, and a cost not only calculated in advance, but varying with the load.

A single initial effort on the part of a senior executive to define his requirements enables our expert planners to do the rest.

MADIC LIMITED

*Mechanised Tabulating
Service of Windsor . . .*

11-13 Ridgmount Street, W.C.1.

Telephone: Langham 3688

CHRISTIE & CO.

Estate Offices:

*London &
Home Counties* | 7 BAKER STREET
LONDON W.1
Tel. WELBECK 0022

Sussex | 15 PALMEIRA MANSIONS
HOVE
Tel. 38936

*Hampshire &
South West* | JACEY HOUSE
THE LANSDOWNE
BOURNEMOUTH
Tel. 7247

*Devon &
West Country* | ST. STEPHEN'S HOUSE
CATHERINE STREET
EXETER
Tel. 59371

BUSINESS AGENTS

THE INCOME TAX PAYERS' SOCIETY

offers its members free second opinions on questions of income tax and profits tax.

An invaluable service for those professionally engaged with taxation problems of clients.



Tax cases summarised in Quarterly Journal



Membership details and Journal sent on application

The Secretary

INCOME TAX PAYERS' SOCIETY

Abbey House, 2 Victoria Street
London, S.W.1. (ABBey 2323)

NOTE: Subscriptions of professional firms may be claimed as a charge for income tax purposes.

into account in calculating damages by the *Gourley* principle—future changes in tax rates and allowances; the possibility that the claimant might have reduced his future tax liability by bonds of annuity or gifts of capital; the extent to which his investment income or his wife's income should be brought into the reckoning; and other such factors—concludes that “even a rough and ready computation of the tax liability leads to a more just result than is attained by ignoring the tax liability altogether.”

Check Traders

Check traders enable persons wishing to purchase goods from local shops on the instalment system (not by hire purchase) to do so without entering into agreements with the actual shop at which the purchase is made. The check trader is approached by the customer for a document called a “check,” for any amount but usually valued from 10s. to £30, to be issued in his favour for him to use at a local drapery or similar store. The check trader issues this document on the understanding that he will be paid by weekly instalments the amount shown on the face of the document. The trader collects 1s. in the £ each week for 21 weeks. The additional 1s. represents a service charge. The customer takes the document to the shop and purchases goods. The shop merely marks on the back of the document the amount of each purchase and when the prescribed sum has been expended will issue no more goods on that check. Meanwhile, the customer pays his weekly instalments to the check trader. The amount spent by the customer is paid, usually monthly, to the shop by the check trader less a discount, frequently 12½ per cent.

The Inland Revenue has now issued a note on the computation of check traders' profits. Subject to the approval of the Income Tax Commissioners concerned, a computation based on (a), (b) and (c) below (all three) will be accepted.

(a) the full amount of the service charge is brought to account when a check is issued;

(b) discount is brought to account at the time a check, or part of a check, is used by a customer or, if this would give rise to practical difficulties, at the time the shopkeeper normally renders his statement to the check trader;

(c) if instalments are collected by agents, a deduction is made for commission which will be payable on outstanding instalments (reduced by any allowance for bad or doubtful debts) at the accounting date. No other deduction for future collection costs should be made.

If any other satisfactory basis has been consistently followed and accepted in the past the Board would normally not require any alteration if the new method would not involve more than a small variation in profits. If, however, the basis is changed, adjustment should be made so as to ensure that the new basis is applied consistently for the year of change, with opening balances adjusted on the same basis as closing ones.

Meal Vouchers Again

At last we have an official announcement on this debatable subject. On January 20, 1959, in answer to the question to what extent meal vouchers were emoluments subject to P.A.Y.E., the Chancellor of the Exchequer in a written reply in the House of Commons stated:

It depends on the facts of the case whether meal vouchers issued under a particular scheme are taxable emoluments, but I am informed by the Inland Revenue that in their view the facts in regard to the majority of the vouchers in use today are such as to render them taxable.

There is, however, a long-standing practice under which vouchers have not been taxed, and I propose that this extra-statutory concession should be continued for the time being, subject to certain conditions. The conditions are that (a) vouchers must be non-transferable and used for meals only; (b) where any restriction is placed on their issue to employees they must be available to lower paid staff; and (c) the value of vouchers issued to an employee must not exceed 3s. for each full working day.

The value of any vouchers or part of a voucher, which does not comply with these conditions, will be taxed as

from the beginning of the next income tax year. I intend to keep the whole question of the taxability of luncheon vouchers under review.

We are reminded of the Majority Report of the Royal Commission: “... a taxable benefit arises whenever an employer discharges a pecuniary liability of an employee that he has not incurred in the course of performing the duties of his employment. Usual instances are the payment of the rent of a dwelling-house where its occupation is not part of the employment, or the provision of a season ticket for travel from home to work. Sometimes children's school fees or holiday expenses are provided.” It seems, therefore, that the exemption of certain (and certain only) meal vouchers is a matter of politics *cum* expediency. The administrative problems of assessing them do not seem to be great under the P.A.Y.E. system. Three shillings a day is roughly £36 for a year of five-day weeks, allowing for holidays. Many in receipt of meal vouchers would pay little tax if they were made liable, but observation shows that there is a large body of well-paid employees reaping a free-of-tax perquisite of greater value than the net £36.

In general, extra-statutory concessions are to iron out inequities and anomalies. If the Revenue view is correct, this concession seems to offend the general principle of concessions in that it allows the subject to escape tax on something liable to it. The arbitrary limit of 3s., too, seems odd, to say the least. We hope that the position may be regularised by legislation.

Domicile

A new Domicile Bill has been introduced into the House of Lords, in the place of the Bill which failed to secure its passage last Session, and on which we commented in a note in these columns in September, 1958 (page 464). The new Bill differs at some points from the old.

The Bill provides that a person's domicile continues until he acquires a domicile in another country (but no longer), and that a person of or over the age of sixteen acquires a domicile

in a country by residing in it with the settled intention of making it his permanent home. Moreover, if a husband and wife are domiciled in different countries, but either is domiciled in England, Scotland or Northern Ireland, the Court is to have jurisdiction to entertain any proceedings between them (and to apply the same law) as if both were domiciled there. (Wales is not mentioned but is presumably intended to be included in England!)

A child under the age of sixteen has the same domicile as the person entitled to his custody; if two persons domiciled in different countries are equally entitled to the custody of such a child, his domicile will be in that one of the countries with which he is more closely connected. If an authority and not a natural person has the custody of the child, his domicile will be in the country under whose law the authority is established. The child does not, however, acquire a new domicile as above if the person or authority entitled to his custody intends him to live in another country.

It is difficult for a layman to see how "the settled intention of making it his permanent home" is much different from the present position regarding a domicile of choice. There is, however, the difference that the domicile of origin does not hover in the background—one domicile of choice will apparently succeed another. It seems that the draftsmen have not been able to introduce much precision in the matter; a good deal will still be left to the interpretation of the courts. We shall follow the debates with much interest. In particular, we find it difficult to see how the "settled intention" of a deceased person can be satisfactorily established, yet domicile affects the estate duty liability. For income tax, since a person not domiciled in the United Kingdom (U.K.) is assessable under Cases IV and V of Schedule D on income arising outside the U.K. on the amounts remitted to the U.K., it is unlikely that his "settled intention" will be to attract tax on it all! Domicile also has importance under Schedule E. The meaning of "permanent home" also gives room for

argument. We foresee difficulties for those "foreigners" who have lived in the U.K. for years in the course of their employments under foreign employers.

Section 38

The difficulties in interpreting much of the more recent legislation on taxation is well illustrated by *The Law Times* (January 2, 1959) when it says:

This column was in 1958 a boggler . . . at getting to grips with Section 38 of the Finance Act, 1957. [The Section dealing with the new law on estate duty on gifts *inter vivos*.] This week the intention is to begin the New Year by remedying the omission. Those most qualified to understand it have only been unanimous in saying they don't.

It then goes on to refer to Master Wheatcroft's observations in the third edition of his work *The Taxation of Gifts and Settlements*, calling them "stimulating" and saying:

Any path through a jungle is to be welcomed; the fact that there is no absolute guarantee that the path will get one where one wants to go does not detract from its merits. To hack a solitary track through a jungle is beyond any one man's unaided efforts.

Master Wheatcroft's statement "the present state of the law of estate duty is surely a disgrace to our legal system" is then repeated and it is added "Not the least disgraceful of these provisions is Section 38."

Most accountants will agree with all these remarks, although the reviewer of Master Wheatcroft's book in the *British Tax Review* says that Section 38 is "comprehensive and comprehensible!" The reviewer admits that "some anomalies remain but they are much less glaring."

It is not the least exasperating aspect of the Section in question that Master Wheatcroft suggests ways of using it to avoid estate duty! These ways he has incorporated in a two-act play called *Feather-Bedding Death or Second Thoughts on Section 38* published in the *British Tax Review* for December, 1958. In our view readers should think twice before advising clients to adopt such avoidance schemes: amending legislation can be anticipated and may be retroactive.

The Section in question is only one

of many recent provisions that make reading difficult and understanding almost impossible. The Finance Act, 1958, has several such provisions.

It is obvious that some of the most astute brains in the Inland Revenue are continually examining settlements to see whether they can be brought within various provisions which will make them inoperative so far as taxation is concerned. Many of the settlements so attacked have been settled by leading solicitors and counsel. Clients should be advised to have all their settlements reviewed by skilled lawyers, since when the Revenue proves the settlements to be caught for tax purposes it is too late to put them right for the periods for which they are attacked. In many cases, amendment of the settlement will involve an application to the court; the fact that taxation is involved is not fatal to obtaining consent from the court to an amendment.

Capital Expenditure on Agricultural or Forestry Buildings and Works

The form (No. 462) used by Inspectors of Taxes as a record of capital expenditure qualifying for annual allowances under Section 341 of the Income Tax Act, 1952, is now on sale at H.M. Stationery Office, price 3d. each (plus postage 2d.) or 3s. 9d. (postage 8d.) for 25.

The form provides for:

- (i) a record of the qualifying expenditure for annual allowance and for investment allowance, showing the year in which the expenditure was incurred, its description, the amount qualifying for allowance and the total for each year;
- (ii) a record of capital expenditure qualifying *only* for investment allowance because it has been included in a maintenance claim (Section 16 (5) (a), Finance Act, 1954—e.g., replacement of farm buildings);
- (iii) a summary of the allowances due (columns, etc., are provided for all years from 1947/48 to 1966/67 inclusive); and
- (iv) the investment allowance due.

Most accountants will have their own methods of recording the allowances. One method commonly used is to show with each computation a statement like this:

Income Tax Problems?

WHEN YOU'RE DEALING with such delicate and complicated matters as income tax problems you can't afford to take any chances; expert advice is essential. That is why **SIMON'S INCOME TAX** is so important, because it is the work of experts in every branch of the subject. Under **LORD SIMON'S** guidance, the work was prepared by an experienced team of eminent lawyers, accountants and officials from the Inland Revenue Department, so that the law and practice are covered from every point of view. Everything is very clearly explained and illustrated by practical accountancy examples.

This great work is completely authoritative and absolutely reliable; it is kept up to date by a comprehensive yet simple Service, which takes account of changes in practice and developments in the law such as those which may be introduced in the Budget and by the Courts. Whenever you need expert advice on income tax affairs you have only to turn to **SIMON**—an excellent investment which will yield rich dividends.

FIVE VOLUMES, INCLUDING INDEX:

PRICE £15 15s. net per set; by post 8s. extra

SERVICE: £3 3s. ANNUALLY

*An illustrated leaflet about **SIMON'S INCOME TAX** is obtainable from:*

BUTTERWORTHS, 88 KINGSWAY, LONDON W.C.2

Showroom: 11-12 BELL YARD, TEMPLE BAR, W.C.2

Established 1877

LEOPOLD FARMER & SONS

Specialise in

AUCTION SALES and VALUATIONS of PLANT, MACHINERY and INDUSTRIAL PROPERTIES

46 Gresham Street, London, E.C.2

Telephone: MONarch 3422

Telegrams: Sites, London



Golden afternoon

Gresham Endowment policies are wonderfully good investments. What a return they give, in lifelong freedom from anxiety, to any man! And they have many uses apart from providing for retirement.

GRESHAM LIFE

ASSURANCE SOCIETY LTD.
FOUNDED 1848

HEAD OFFICE: ALDWYCH HOUSE, ALDWYCH, LONDON, W.C.2.

JORDAN PUBLICATIONS

THIRD EDITION

THE COMPANY DIRECTOR HIS FUNCTIONS, POWERS AND DUTIES

by ALFRED READ, C.B.E., F.C.I.S., F.INST.D.

Prepared under the authority of

The Council of the Institute of Directors

25s. net

by post 26s.

A NEW WORK

ONE THOUSAND QUESTIONS AND ANSWERS ON COMPANY LAW

by FRANK H. JONES, F.A.C.C.A., A.C.I.S.,

in collaboration with

RONALD DAVIES, M.A., Barrister-at-Law

27s. 6d. net

by post 28s. 10d.

NINETEENTH EDITION

THE CONDUCT OF AND PROCEDURE AT PUBLIC, COMPANY AND LOCAL GOVERN- MENT MEETINGS (CREW)

by T. P. E. CURRY of Middle Temple, Barrister-at-Law

The standard work on the conduct of meetings.
The recognized textbook for students at professional
examinations.

15s. net

by post 16s. 3d.

JORDAN & SONS LIMITED

Company Registration Agents. Printers and Publishers

116 CHANCERY LANE · LONDON, W.C.2

Year of Expenditure	Amount £	Annual Allowances to date £	Due for 1959/60 £	Balance Unrelieved £
1951/52	5,000	3,500	500	1,000
1952/53	3,216	1,932	322	962
1953/54	9,111	4,555	911	3,645
1954/55	3,500	1,400	350	1,750
1955/56	100	30	10	60
1956/57	2,459	492	246	1,721
1957/58	250	25	25	200
1958/59	2,400	—	240	2,160

Investment allowances do not need to be noted after the year to which they relate unless they are being carried forward because relief has not yet been had. It will, however, be an advantage to have a full record on the form now issued, which will make it unnecessary to give in the computation as much detail as we show above.

Settlements and Income Tax

The Finance Act, 1958, attacks in Section 21 any settlement under which a settlor has or will have power to diminish annual payments made under the settlement or diminish the property comprised in it so as to benefit him or his spouse, and in Section 22 a discretionary trust where there is power to pay income or capital to the settlor or his spouse.

In *C.I.R. v. Tennant* 1942, 24 T.C. 215 it was held that a widow was caught under Section 404, Income Tax Act, 1952, if she had power to revoke the settlement and declare new trusts in favour of any person other than herself—because she could benefit a future husband. This decision was made despite that in *Vestey's Exors. v. C.I.R.* [1949] 1 All E.R. 1108, that the term wife in Section 404 (2) does not include a widow.

The official view on the *Tennant* case is shown in a copy of a letter written by the Inland Revenue and published in the *Law Society Gazette* for January, 1959 (page 53). The following is the relevant portion of the letter. (The prohibited degrees of relationship for marriage and the fact that the death or divorce of a spouse might be relevant should be remembered!):

The Board regard the decision in *C.I.R. v. Tennant* (24 T.C. 215) as applying (a) where a settlor (as defined for the purposes of Part XVIII of the

Income Tax Act, 1952) is not at the material time a party to a subsisting marriage and the terms of the settlement (as so defined) are such that a benefit may be conferred on substantially any person who may become the wife or husband of the settlor in future or (b) where, whether or not the settlor is married, the terms of the settlement (as so defined) are such as to indicate a specific intention that a future wife or husband of the settlor might be enabled to benefit.

Within the foregoing limits the Board are of opinion that *Tennant's* case applies for the construction of the expression "the wife or husband of the settlor" wherever occurring in Part XVIII of the Income Tax Act, 1952, and Sections 20 to 22 of the Finance Act, 1958, except in sub-Section (4) of Section 21, and sub-Section (5) of Section 22, where the context otherwise requires. It depends on the terms of the enactment concerned whether the extent to which the settlement income has been distributed affects the resulting liability.

... I am to say that the Board agree that the expression "the wife or husband of the settlor" does not extend to a person who cannot take a relevant benefit during the settlor's lifetime.

Extra-Statutory Concessions

In our issue of February, 1958 (pages 71-75) we set out the list of extra-statutory concessions given by the Commissioners of Inland Revenue in their 100th report. That list contained all the concessions in operation at December 31, 1956. In the 101st report of the Commissioners (Command 628, H.M. Stationery Office, price 9s. 6d. net) are given the extra-statutory concessions in operation at December 31, 1957, in addition to those published in the 100th report, and we give them below.

The concessions are of general application, but it must be borne in mind that in a particular case there

may be special circumstances which will require to be taken into account in considering the application of the concession.

ESTATE DUTY

1. *Premium Savings Bonds held by persons who died domiciled in the Channel Islands, Isle of Man or Northern Ireland.*

Premium Savings Bonds held by persons domiciled in the Channel Islands, the Isle of Man or Northern Ireland are treated for estate duty purposes as property situated outside Great Britain.

2. *Probate fees paid in India and Pakistan.*

Under the double taxation agreements with India and Pakistan credit is due in appropriate circumstances in respect of the estate duty imposed under the Indian Estate Duty Act, 1953, and the estate duty imposed by the Central Government in Pakistan. By concession, credit is also allowed in respect of the Court fees paid in India and Pakistan for obtaining probate, letters of administration or a succession certificate.

ESTATE DUTY—ALTERATION OF EXISTING CONCESSION

Number 14 on list in 100th Report—Civilian deaths in Malaya, Korea and Kenya.

This concession provided that the relief from estate duty formerly granted by wartime legislation (which expired in October, 1950) to the estates of civilians dying from injuries caused by the operations of war is applied to the estates of civilians dying from injuries caused by the operations in Malaya, Korea and Kenya. The concession has been extended to deaths of a like nature occurring in Cyprus.

"One Trade or Business" for Profits Tax

All trades or businesses within the charge to profits tax carried on by the same person shall be treated as one trade or business for the purposes of the profits tax (Section 43, Finance Act, 1947). Included in this provision is the case in which investments or other property are held by a company or an incorporated society the functions of which consist wholly or

mainly in the holding of investments or other property (Section 19 (4), Finance Act, 1937).

There is nothing in the provisions of Section 43, Finance Act, 1947, which requires a continuity of business. Indeed sub-Section (3) of that Section implies the contrary, since it provides that nothing in the Section is to apply to a trade or business which ceased to be carried on before the end of the year 1946 (the last year in which the tax operated as the National Defence Contribution). It is only where a change takes place in the persons carrying on a trade or business that provision is made for its being deemed to be discontinued and a new business commenced at the time of the change (Section 43 (5), Finance Act, 1947).

Treatment as a cessation and a commencement appears to have little significance (owing to assessment being on the "actual" profits basis), except in the following circumstances:

(a) Losses cannot be carried forward from one owner (or owners) to another (or others).

(b) A new owner cannot be liable to a distribution charge in respect of non-distribution relief of the previous owner except under Section 32, Finance Act, 1951, where the transaction is deemed to be designed to avoid liability to profits tax (distribution charges cease to operate for chargeable accounting periods (C.A.P.) beginning after March 31, 1958, in any event but will be with us for a time in respect of earlier C.A.Ps. where the liability has not yet been agreed and met).

(c) Where the last C.A.P. in which the trade or business of the company was carried on ended on or prior to March 31, 1958, so much of any distribution made after the end of the period as is not a distribution of capital, and is not a dividend attributed to an earlier period, is deemed to be a gross relevant distribution (G.R.D.) of such last C.A.P. This provision does not apply where there was a reconstruction with exchange of shares and both new and old companies give notice that the company taking over the business would take over any liability for distribution charges based on past non-distribution reliefs (Section 36, Finance Act, 1947); Section 1 (4), Profits Tax Act, 1949). If there was some distribution

by the old company (other than the shares in the new company) in excess of the repayment of capital, that would be a G.R.D.—reference should be made to *C.I.R. v. Pollock & Peel* (in liquidation) [1957] 2 All E.R. 644 on this point. A distribution of capital includes only (i) the total nominal amount of the paid-up share capital, plus (ii) any premiums received by the company in cash on the issue of the shares.

The last set of circumstances ((c) above) has given rise to some speculation and the Institute of Taxation has had negotiations with the Inland Revenue as a result of which the Institute announces the following agreements, described as "concessions":

The Inland Revenue are now prepared to treat a company as though it carried on one trade or business both before and after March 31, 1958, in the following cases:

(1) If the company ceased to carry on a trade or business before April 1, 1958, and immediately started another which continued after that date; or

(2) If the company carried on two trades of business, one of which ceased before April 1, 1958, and the other continued after that date; or

(3) If the company ceased to carry on a trade or business before April 1, 1958, and started another trade or business after that date, making no distributions in the meantime.

With due deference to both parties, it is difficult to see what "concessions" have been made, in view of our opening remarks. Indeed, we cannot imagine that the Revenue would have given anything away on a matter such as this, where there may easily be large accumulations of profits now reaching the shareholders as capital surplus, yet carrying large sums of non-distribution reliefs. It should be noted that the Revenue took the case of *Carpet Agencies Limited v. C.I.R.* (1958, T.R. 341) to the courts and it was held that a distribution charge could, in the circumstances of the case, be made pursuant to Section 35 (1) (c) of the Finance Act, 1947, in that in 1954 and 1955 the company was not carrying on any business.

Ideas for the Chancellor

Many bodies have been sending

representations to the Chancellor on the tax reductions they would like him to make in his Budget, and the general expectation that this year he will be able to ease the burden on the taxpayer—indeed, that the economic situation makes it imperative that he should do so—has led to a number of pretty extravagant demands.

Two of the bodies that have submitted memoranda to the Chancellor have, however, shown the signal merit of confining themselves to recommendations aimed, not at the distribution of largesse, but at improvements in administration or the removal of anomalies and hardships. One of the bodies is the Association of Certified and Corporate Accountants and the other is the Institute of Taxation.

The recommendations of the Association are, in summary:

The abolition of Schedule A on owner-occupiers.

Capital allowances for commercial buildings.

The rationalisation of the penalty provisions—particularly Sections 18 and 25 of the Income Tax Act, 1952.

A graduated reduction of the rate of estate duty on gifts *inter vivos* for each year the donor survives after making the gifts.

The abolition of Schedule B, woodlands managed on a commercial basis to be assessed under Schedule D, Case I.

Case III assessments to be on the actual income (this recommendation stems from the decision in the *Sangster* case, [1957] 2 W.L.R. 812, and the big changes in interest rates in recent years).

Cases IV and V also to be on actual income (or actual remittances, where appropriate).

Surtax directions to be limited to a reasonable distribution.

Double taxation relief for non-Commonwealth income to be brought into line with that for Commonwealth income. Municipal taxes in the nature of income tax to rank for double taxation relief. A credit for overseas tax to be available in respect of tax which is not paid because of overseas tax incentives, including pioneer relief.

Where a subsidiary Overseas Trade Corporation (O.T.C.) loses its qualification by reason of a misdemeanour, its principal company should retain its status as an O.T.C., any income from the subsidiary being treated as investment income.

The definition of "subsidiary company" should be widened so that a principal company could have the benefits of the O.T.C. legislation in respect of subsidiar-

ies resident outside the United Kingdom. Any profit which enters into the calculation of actual income for a surtax direction should escape profits tax.

Losses of a subsidiary company incurred after a grouping notice has been given for profits tax should be available to be carried forward against group profits and not merely against those of the subsidiary.

In deciding how estate duty should apply to life assurance policies, the criterion should be whether the assured retained any benefit for himself within the five years preceding his death, and in respect of policies in which the deceased never had an interest, the persons accountable for the estate duty should have the option either of non-aggregation or of aggregation of the premiums paid in the last five years of the assured's life.

The exemption for stamp duty on transfers of property between one company

and another where one owns 90 per cent. or more of the issued share capital of the other should be extended to include the case where the ownership arises wholly or partly through another company or companies.

This is a well-thought-out list, complete with arguments, and we are sure that our readers will have every sympathy with it. Many of the items cry out for action.

The Institute of Taxation recommends:

The abolition of Schedule A income tax, income actually received from real property to be assessed under Schedule D.

The abolition of Schedule B, any income derived from the use of land to be assessed under Schedule D.

Surtax directions to be made only on the income unreasonably withheld from distribution.

The use of market value for transfer of goods for private consumption for use of the proprietor to be abolished (this point arose from the *Sharkey v. Wernher*, 1955, 36 T.C. 275, decision).

A flat rate of relief from income tax to be given on £100 in the case of persons who are so incapacitated that they they require special transport or facilities to enable them to carry on or to reach their employment.

Quick succession relief to apply if a second death occurs within six months at 65 per cent. and within nine months at 55 per cent.

The memorandum cogently argues the case in some detail for each of the recommendations.

Recent Tax Cases

By W. B. COWCHER, O.B.E., B.LITT.

Income Tax

Investment allowance—Machinery and plant—Boot and shoe-making machinery—Knives and lasts with limited lives forming essential parts of machinery when in use—Whether cost of maintaining stock of knives and lasts capital expenditure on machinery and plant or "implements, utensils or articles"—Income Tax Act, 1952, Section 137 (d)—Finance Act, 1954, Section 16 (3).

The case of *Maden & Ireland Ltd. v. Hinton* (C.A., 1958, T.R. 321) was the subject of an extended note in our issue of July, 1958 (page 356). The Special Commissioners had decided in favour of the company, holding that the knives and lasts performed indispensable functions and were and could only be used in conjunction with the machines, which could not function without them. Vaisey, J., had reversed their decision, holding that the knives and lasts in question were neither machinery nor plant but chattels within the category of "implements, utensils, or articles" in Section 137 (d) of the Income Tax Act, 1952. A unanimous Court of Appeal reversed his decision, Lord Evershed, M.R., and Sellers, L.J., giving the only judgments. A factor found to be of

prime importance was that the expenditure on knives and lasts was not charged as an expense of the period in which incurred, but spread by the company over two years, and for income tax over three years. Evershed, M.R., found the question whether the knives and lasts were "plant" was one of degree and therefore of fact, and that it could not be said that the Special Commissioners had misdirected themselves. On this point, Sellers, L.J., said that the knives and lasts were the tools of the trade and whether they were "plant" depended, it seemed to him, upon the use to which they were put. If that test were right the issue did not depend on the size, the weight, the strength, weakness, durability or length of serviceable use. If they were a vital part of the plant, then, as he saw it, they would be regarded as "plant" if they were not in fact part of the machinery. Such tools or articles when not in use seemed to him to fall clearly within the designation of "plant." The question whether the expenditure on the knives and lasts was of a capital or revenue nature both judges found to be more difficult. The Special Commissioners had made no express finding on the point. Evershed, M.R., said that on

the basis that the knives and lasts were "plant" their cost had been treated as capital expenditure by the taxpayer and appeared as such in the balance sheet; and an allowance had been made by the Revenue of a character not strictly in accordance with any precise statutory provision. His conclusion was that the Special Commissioners quite plainly took the view that the expenditure was of a capital nature and, on the footing that his view on the first point was right, that they had held the question to be also one of degree and of fact. His conclusion was, therefore, in favour of the taxpayer.

Sellers, L.J., said that there had been no express finding either by the Special Commissioners or by Vaisey, J., that the expenditure in question was of a capital nature. He considered that the question in the particular case, as Evershed, M.R., had stated, was to be solved by the form of the stated case and the facts which were found. He doubted, therefore, whether the case could be of much assistance in any other case or whether the taxpayer had established that the expenditure was of a capital nature. He said he found the position as stated in the stated case to be somewhat obscure, and was content to agree with the Master of the Rolls. The method followed of spreading the expenditure seemed to him to have sufficient elements of capital expenditure to bring it within the rather difficult conception visualised by Section 16 (3) of the Finance Act, 1954.

As the present writer has suggested in

the past, there would seem to be much to be said for the system whereby active Elder Brethren of Trinity House sit with the judges in the Admiralty Division as nautical assessors in marine causes. An accountant of wide experience, well versed in economic principles, would often be of great assistance in a similar capacity in those tax cases where the need for special knowledge is manifest—knowledge which even the ablest of judges cannot be expected to possess.

Income Tax

Commission—Commission on policy on own life—Whether assessable as income—Whether assessable under Schedule D or under Schedule E—Income Tax Act, 1952, Section 52 (5), Schedule D, Case VI; Schedule E.

"Commission" is ubiquitous in the assurance and insurance world. A company will not normally quote below its published rates, but a way out of this is to make the person concerned his own "agent," a thing which the present writer deems to be legally impossible unless the said person achieves a split personality by means of the Companies Act. In *Hughes v. Rogers* (Ch. 1958, T.R. 369), Harman, J., observed:

the Phoenix company offered him what are called agency terms. This is a familiar enough fact, but a very difficult thing to understand, if you are outside the insurance world. How you can be an agent for yourself I have never been able to see, but there is no doubt that this is a way, by offering a cheaper policy . . .

(On the nature of such allowances from normal rates of premium, reference may be made to *North British and Mercantile Insurance Co. Ltd. v. Easson* (1919, 7 T.C. 463).)

The appellant was the secretary to a company and in 1937 had assured his own life with the Phoenix Insurance Co. Ltd. on "agency terms." The question in the case arose in connection with another policy.

In 1952, the appellant's company was minded to create a pension scheme for its employees including the appellant; and one of its directors, knowing him to be already insured with the Phoenix company, instructed him to ask for the terms for a pension policy on the appellant's life. As a result, a policy was effected and, as he was an "agent," the Phoenix company paid him £750 as commission. This he had disclosed to his company, which, quite properly as the judge said, had disclaimed any right to it. The appellant had, therefore, paid

it into his bank account. Alternative assessments had been raised under Schedule E and under Case VI of Schedule D. On appeal, the Special Commissioners had concluded that the £750 was not a voluntary payment by the Phoenix company and, further, that it was payable to him as an agent. Holding that it was no part of his emoluments as secretary, they had discharged the Schedule E assessment but confirmed that under Case VI of Schedule D. Harman, J., approved their decision.

He said it was contended that there was no evidence on which the Commissioners could conclude that the appellant was an agent of the Phoenix company, but no evidence had been produced to them as to the nature of the contract except that it was one under which he was entitled to commission on assuring his own life. It was, however, admitted or proved, he said, that had the appellant introduced clients he would have received commission. This, said the judge, showed that the contract was a continuing contract; and he went on to say that the £750 was not a voluntary payment, a free gift, unless he was to assume that the company was acting *ultra vires*. It is to be noted that the "commission" allowed to the appellant upon his assuring his own life in 1937 was of quite different nature from the commission of £750 paid on the pension policy effected by the company in 1952. Whilst, following the *North British* case, the former would not be admissible as an "expense of management (including commissions)" the latter would. So far as the policyholder is concerned the amount of premium available for relief under Section 219 of the 1952 Act is, of course, the amount "paid."

Income Tax

Article in newspaper—Reminiscences of jockey—Sum received for supplying information to actual writer—Whether assessable as income—Income Tax Act, 1952, Schedule D, Case VI.

Ever since the case of *Ryall v. Hoare* (1923, 8 T.C. 521), it has been difficult to avoid income tax on the profits or gains arising from an isolated transaction if there can be shown to be present an element of services, however slight—although, as Harman, J., said in the present case, what happens on the reading of one agreement cannot be any great guide to what happens on another. In *Housden v. Marshall* (Ch., 1958, T.R. 337), Bryan Marshall, a well-known jockey, had been approached

upon behalf of Kemsley Newspapers, Ltd., with a view to his letting them have his reminiscences for publication. Under an agreement dated August 4, 1955, he had been paid £750 for so doing; and this had been assessed under Case VI of Schedule D. The Special Commissioners had, on appeal, discharged the assessment, only to have their decision reversed by Harman, J.

He held that the case turned entirely upon the construction of the agreement, and the question was whether it was one for the sale of some property of the respondent or for agreeing to perform services for a reward. The respondent was to make available to a nominee of the company for a series of four articles reminiscences of his life and experience on the Turf. He was to provide photographs, etc. The company was granted serial rights and authorised to publish the articles under his name, whilst he also agreed not to communicate like matter to other people for a time. It appeared, said Harman, J., that the nominee of the company, the "ghost" writer who actually wrote the articles, had done a certain amount of research and had submitted the articles more or less ready-made to the respondent for "vetting". The latter, said the Judge, had not done very much but had done what he was called upon to do. He had been paid for making available his reminiscences and producing certain documents if called upon, and nothing else. Although, by Clause 4 of the agreement, he had granted the British serial rights to the company, there were no reminiscences in existence at the contract date and they were never his copyright but that of the "ghost" or the "ghost's" employer. He had, however, authorised the use of his name and facsimile signature. The Special Commissioners had held that, predominantly, the agreement was for the sale of the major part or the whole of the publication rights of respondent's reminiscences and that the services rendered were merely subsidiary; but that, said his Lordship, was an inference with which, on the wording of the agreement, he could not agree. There were no reminiscences of which he could sell the rights, and those which he related to the "ghost" were not actually used. He was merely talking to the latter and allowing the latter's work to be put forward as his own. The fact that the "services" he had rendered were trivial was, said his Lordship, immaterial.

The Special Commissioners had clearly found the case analogous to that of *Earl Haig's Trustees v. C.I.R.* (1939,

FAMILY WELFARE ASSOCIATION

OFFERS A UNIQUE SERVICE TO

ACCOUNTANTS — TRUSTEES
AND OTHER OFFICIAL AND PRIVATE PERSONS
INTERESTED IN THE MAKING AND EXECUTION
OF
LEGACIES AND CHARITABLE BEQUESTS

- ★ Free advice as to the status and financial position of charitable Organisations.
- ★ Information regarding Charities affected, and not affected by Act of Parliament.
- ★ Help and advice as to the needs of Charities for those making gifts or bequests.

FOR 86 YEARS THIS HAS BEEN PART OF THE
SERVICE PROVIDED BY THE ASSOCIATION

FAMILY WELFARE ASSOCIATION

296 VAUXHALL BRIDGE ROAD
LONDON, S.W.1

VICTORIA 7334

One of the
Oldest
Largest

ESTABLISHED 1849

ASSETS EXCEED £76,000,000
and **SOUNDEST**
RESERVES OVER £4,900,000

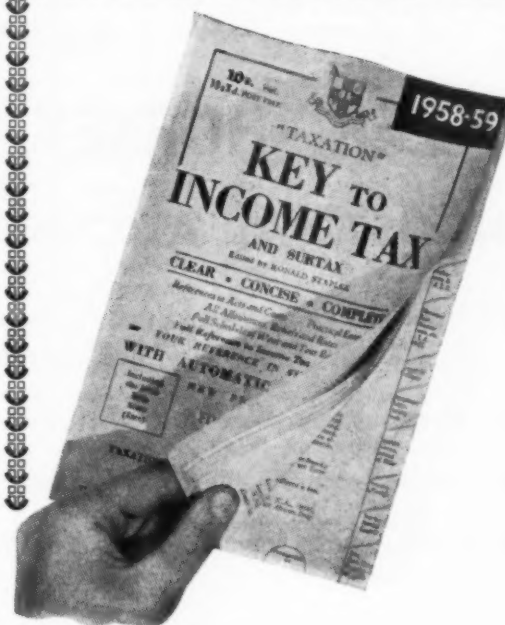
PROVINCIAL

BUILDING SOCIETY

- ★ INCOME TAX ON INTEREST IS PAID BY THE SOCIETY
- ★ INTEREST FROM DATE OF INVESTMENT
- ★ EXCELLENT MORTGAGE FACILITIES

Head Office: MARKET STREET, BRADFORD 1 Tel. 29791 (7 lines)
ALBION STREET, LEEDS 1 Tel. 29731 (4 lines)

London Office: ASTOR HOUSE, ALDWYCH W.C.2 HOLBORN 3681



FINANCE ACT EDITION 1958

THE FIVE
SECOND
REFERENCE
BOOK

KEY to INCOME TAX AND SURTAX

CLEAR CONCISE COMPLETE

AUTOMATIC THUMB INDEX

10/- net

post free 10/6

TO
TAXATION
PUBLISHING
COMPANY

LIMITED
98 PARK ST.
W1.

★ phone
MAYfair
★ 7888

Send.....copies of
KEY TO INCOME TAX
at 10s. 6d. post free

Date

A. 2/59

Established 1807

FULLER, HORSEY, SONS & CASSELL

INDUSTRIAL AUCTIONEERS AND VALUERS

- Plant and machinery valued for balance sheets, amalgamations, new issues, estate duty, fire insurances, etc.
- Auctions anywhere in the British Isles.
- Surveyors and valuers of factories, mills, wharves and warehouses.
- Estate agents for all industrial premises.

All business conducted from the City of London

10 LLOYD'S AVENUE, LONDON, E.C.3

Telephone: ROYal 4861 (4 lines)

Outstanding Progress

ASSETS now exceed £50,000,000

Outstanding Security

RESERVES 5% LIQUIDITY 14%



**LEICESTER PERMANENT
BUILDING SOCIETY**

MEMBER OF THE BUILDING SOCIETIES ASSOCIATION

Head Office: WELFORD PLACE, LEICESTER
London Office: FITZHERBERT HOUSE, 49 PARK LANE, W.1

OFFICES AT: BIRMINGHAM, BOSTON, BOURNEMOUTH, BRIGHTON, BRISTOL, CARDIFF, COALVILLE, EXETER, HARROW, HINCKLEY, HULL, LEEDS, LINCOLN, LIVERPOOL, LOUGHBOROUGH, MANCHESTER, MELTON MOWBRAY, MIDDLESBROUGH, NEWCASTLE UPON TYNE, NORTHAMPTON, NORWICH, NOTTINGHAM, PRESTON, SHEFFIELD AND LOCAL AGENTS THROUGHOUT THE COUNTRY.

18 A.T.C. 226; 22 T.C. 725), where the trustees had the Earl's diaries, a subject of copyright, in their possession and had sold part of the rights of publication. There, in the Court of Session, Lord Norman had concluded, not unnaturally as Harman, J., observed, that the trustees were selling a piece of property. In *Hobbs v. Harvey* (1942, 21 A.T.C. 78; 24 T.C. 153), a somewhat similar case, although Hobbs had written the articles, it was found, as his Lordship pointed out, that the liability was in respect of services rendered and not for articles sold. The *Haig* case was a "borderline" case unique in its fact. To use a homely simile, the Court of Session found that the diaries after the sale were commercially like a half-sucked orange. Here, there was no orange.

Income Tax

Trade—Deduction—Capital or revenue expenditure—Factory—Minerals beneath factory—Danger of subsidence if minerals worked—Lump sum payment to avoid working of minerals—Payment of sum by five equal annual instalments—Whether instalments deductible in computing profits of trade—Income Tax Act, 1952, Section 137 (a), (f).

The question in *Bradbury v. United Glass Bottle Manufacturers Ltd.* (Ch. 1958, T.R. 345) was a simple one; it arose in relation to the subsidence caused by the working of minerals, a serious matter in many parts of the country. The respondent company had a large factory in St. Helens, equipped with valuable machinery requiring great stability in foundations, used for the manufacture of glass containers. Underneath the factory lay a seam of coal, and a few years previous to the agreement mentioned hereafter the company learnt that the Coal Board had either begun to or was about to work the seam. On advice that such working would constitute a serious danger, negotiations had been entered into with the Coal Board resulting in an agreement whereby, in consideration of £40,000 to be paid by the company in five equal instalments of £8,000, the Board agreed to leave unworked in perpetuity a pillar of coal reckoned to be sufficient to support the factory. The first payment was claimed to be deductible in arriving at profits for the year 1955/56.

The Commissioners had held that in making the agreement the company was seeking to protect its profit-earning capacity, although they conceded that it had acquired something it did not possess

before. They found that, looking at all the facts, the £8,000 was not for the purchase of a capital asset but was the cost of meeting a threat to its trade, and had held the amount to be deductible in arriving at profits. As was to be expected, this finding was contended to be one of fact based on ample evidence; whilst for the Revenue it was argued that the conclusion drawn from the facts was a conclusion either of law or, at any rate, of mixed fact and law. Harman, J., reversed the Commissioners' decision.

The cases relating to the general principle are legion. The dictum of Lord Cave in the *British Insulated* case (1926, A.C. 205; 5 A.T.C. 47; 10 T.C. 155) is too well known to need quotation, whilst the recent House of Lords speeches in *Edwards v. Bairstow and Harrison* (1956, A.C. 14; 34 A.T.C. 198; 36 T.C. 207) as to the rights of the courts to review inferences or conclusions drawn from findings of fact clarified the subject. Asking himself what was the result of the transaction in question, Harman, J., said that the company became possessed of a works seated on a sure foundation, one immune from the threatened subsidence, and it seemed to him that it had acquired a substantial and permanent asset just as if in by-gone days it had purchased the subjacent coal. Admitting the object of the expenditure as found by the Special Commissioners, the true question, he said, was what benefit the company got for its money. If the answer was that it was of an "enduring" character within the dictum of Lord Cave in the *British Insulated* case and as explained by Romer, L.J., in the *Anglo-Persian* case (1932, 1 K.B. 753; 10 A.T.C. 149; 16 T.C. 253), then it was a capital expenditure. In the writer's opinion the only thing remarkable about the case is that the Special Commissioners should have found as they did.

Profits Tax

Gross relevant distribution—Distribution charge—Company in liquidation—Dividends paid prior to liquidation—No reference to periods for which paid—Whether business carried on at times of payment—Finance Act, 1937, Section 19, Schedule 4, paragraph 7 (1)—Finance (No. 2) Act, 1939, Section 12 (4)—Finance Act, 1947, Sections 30 (3), 32, 35 (1).

By Section 30 of the Finance Act, 1947, the shareholders of private companies, already subject to the highly penal non-distribution provisions

initiated in 1922, found themselves subject to a new and heavy penalty if their companies did in fact distribute their profits. Such a position was contrary alike to elementary fiscal principles and commonsense, and, although it was alleviated by the Chancellor's "umbrella," even that could not be unfurled except in flat disregard of the Bill of Rights. In these circumstances schemes of tax avoidance, whilst scarcely ethical, would seem to be at any rate only venial and in *Carpet Agencies Ltd. v. C.I.R.* (Ch. 1958, T.R. 341), the appellant company had obviously endeavoured to make distributions of profits without their being caught by Section 30. It is, however, unfortunate that the judgment of Harman, J., as reported, does not give a sufficient account of the facts and contentions to enable a satisfactory note to be written.

The appellant company had carried on a carpet-merchandising business which had admittedly ceased in unstated circumstances on March 31, 1953. After that date, it had made distributions in November, 1954, and December, 1955; and immediately after the latter had gone into liquidation. An assessment to profits tax had been made upon it for the eleven months ended March 31, 1953, it being contended for the Revenue that this was the last chargeable accounting period. The said distributions had not been made for any stated period. The Special Commissioners had held the assessment to be validly made; and Harman, J., affirmed their decision.

Section 35 of the 1947 Act defines "gross relevant distribution," the computation of which is preliminary to that of "net distribution" as defined by Section 34, the charge being upon the latter. Section 35 (1) sets out under three heads the distributions which are to be regarded as "gross relevant distributions"; and it was not disputed that to be liable the distributions in question had to fall within the mischief of Section 35 (1) (c) which comprises:

in the case of the last chargeable accounting period in which the trade or business is carried on, so much of any distribution after the end of that period . . . as is not a distribution of capital.

The appellant company had apparently claimed that although its carpet-manufacturing business had ceased in March, 1953, the nature of its investments was such that it had, within the meaning of Section 19 (4) of the Finance Act, 1937, carried on a business of holding investments. The Special Commissioners

had rejected this contention; and Harman, J., entirely agreed, holding that it was not a case where two businesses had been carried on up to March, 1953, or that after it a new business of managing investments had been started. So far from the directors wishing to start a new trade or business or continue an old one, they were deterred in their anxiety to put the company into liquidation purely by the desire to avoid a considerable charge to profits tax. He affirmed what he had said in *Lamson Paragon Supply Co. Ltd. v. C.I.R.* (30 A.T.C. 246; 32 T.C. 302), except that, rejecting the argument put before him in the present case, he was wrong in the earlier case in holding that Section 35 (1) (a) applied only in liquidation cases. His judgment in the *Lamson* case is a very lucid explanation of the meaning of Sections 35 and 36 of the 1947 Act.

Estate Duty

Reversionary interest—Death of reversioner—Postponement of payment of estate duty—Purchase of reversion by life-tenant—Whether deceased's interest then fell into possession—If it did, on what basis duty assessable—Supreme Court of Judicature Act, 1873, Section 25 (4)—Finance Act, 1894, Sections 1, 2 (1) (a), 7 (6), 8 (3), 9 (1), 22 (1) (g).

Fry v. C.I.R. (C.A., 1958, T.R. 313; *The Times*, July 18, 1958) was noted in our issue of September, 1958, on page 471, where the facts were set out. In the Court of Appeal, Romer, L.J., gave the judgment of the Court; and he set out the problem in the following terms:

A testator settled a fund on trust for A for life with remainder to B absolutely. B predeceased A and his executors exercise the option conferred by Section 7 (6) of the Finance Act, 1894, to defer payment of duty on the reversionary interest until the interest falls into possession. A subsequently purchases the interest from B's executors. What duty (if any) falls to be paid by B's executors in consequence of the purchase; when is it payable; and how should it be assessed?

The question, he said, was free from authority and had to be determined on the meaning and effect of the language of Section 7 (6), which, his Lordship pointed out, was not drafted with strict accuracy and was difficult to apply to the position. The draftsman, it was a fair assumption, had no such possibilities in mind. It would seem, he said, that there were four possible answers. The official view, upheld by Danckwerts, J., was that no duty was payable by B's executors until the death of A,

when it would be payable upon the value of the whole fund as then existing. The alternative official view was that duty was payable on the execution of the sale agreement upon the then value of the whole fund and not merely upon the value of the reversion. The appellant, on the other hand, agreed that duty was payable upon the execution of the sale agreement, but only upon the then value of the reversion. Alternatively, he contended that no duty was or ever would be payable.

Danckwerts, J., had said that his decision in favour of the Crown was in accord with the Irish case, *In re O'Connor's Estate* (1931, I.R. 98); but, said his Lordship, the two cases differed vitally in that the reversion there was contingent whilst, here, it was agreed to be indefeasibly vested. The Crown's argument on the falling into possession of a reversion was that the word "falls" pointed to some external event which was going to happen, not to some artificial event brought about by the beneficiaries themselves. Section 7 (6), it was submitted, was concerned only with the fixing of a date, that of the events prescribed by the instrument; and a reversionary interest could not "fall into possession" until that event, even though the life-tenant acquired it previously.

Counsel for the appellant, upon the other hand, pointed out some of the results which would follow from the adoption of the official view. The life-tenant's death might not occur for some twenty or thirty years after the sale, and it would be virtually impossible to ascertain of what the fund then consisted and what was its then value. Again, assuming traceability, the fund might have been invested so skilfully by the life-tenant as to have multiplied several times in value or, alternatively, he might have spent it all or become bankrupt. Other equally extraordinary consequences would, it was contended, logically follow the adoption of the official view. The case for the appellant, on the other hand, was that the falling into possession took place when A, the life-tenant, agreed to buy the reversion or, alternatively, that it would never so fall at all, the latter contention being put forward as subordinate to the former. Romer, L.J., said that on the language of Section 7 (6) neither the Crown's nor the appellant's view could be said to be absolutely wrong. The Court could see no satisfactory answer to such difficulties as those referred to if duty in such cases was not payable until the life-tenant's death, and such a

view might run counter to the general principle that an executor should pay duty when he has money to pay it, whilst it would be satisfactorily applied if the relevant date was that of the sale agreement. In the judgment of the Court, the argument for the appellant on the construction of Section 7 (6) was at least as acceptable as that of the Crown and was preferable in its results. The subordinate contention that no duty at all was payable was given short shrift. Dealing with the important question whether the duty payable should be computed upon the value of the whole trust fund or confined to the then value of the reversion, Romer, L.J., set out the arguments for and against. He said that in the opinion of the Court that which became subject to duty was what the life-tenant did not possess before, and that it would be quite wrong to say that the life-tenant's existing right to income should be ignored in the valuation. The Court, he said, was conscious of the difficulty in reconciling the view that the reversion fell into possession when the life-tenant agreed to buy it with the further view that for valuation it had to be treated as still being an interest in remainder. In the circumstances, the Court had to supply the deficiencies in the legislation and was satisfied that the reconciliation could be achieved without subjecting the language of the sub-Section to an illicit strain, and should be achieved in the interests of justice.

Unless the case is carried to the Lords and the decision is there reversed, the result should prevent claims to duty which would be in certain cases clearly iniquitous.

Estate Duty

Marriage settlement—Life interest of wife—Release in favour of remaindermen—Remuneration by trustees in their favour—Death of life-tenant within five years—Finance Act, 1940, Section 43—Finance Act, 1950, Section 43.

Dreary reading as the late Viscount Sumner found tax cases to be, the worst are, surely, those relating to death duties—save, of course, to those who are professionally interested, such as officials and the Chancery Bar. Still, there are exceptions and amongst these will probably be reckoned *Pye-Smith v. C.I.R.* (Ch., 1958, T.R. 301). There it was necessary to consider a legal position of everyday occurrence, that of an allottee of bonus shares as on the date of the receipt of a letter of provisional allotment. In December, 1904, under

her marriage settlement Mrs. Ramage (hereafter referred to as "Mrs. R."), took a life interest under the trusts of the wife's fund, and after her death a life interest was to go to her husband, who predeceased her. She was given the usual powers of appointment in favour of issue and, failing their exercise, the trust property was to be divisible amongst the children of the marriage subject to normal conditions. In the circumstances of the case, the children had a vested interest subject to divesting through appointment by Mrs. R., who died on March 2, 1956. Her husband had died in 1938.

Amongst the assets of the trust fund in 1952 were 7,000 Ordinary shares of £1 in Samuel Osborn & Co. Ltd., the Sheffield steel manufacturers. On July 30, 1952—the dates in the case are important—at an extraordinary meeting of the company it was resolved to subdivide each of the £1 shares into two of 10s. each, to increase the capital of the company by 1,800,000 new shares of 10s. each, to capitalise £293,014 of the reserves by paying up in full 586,028 of the new shares, and to distribute these to the existing Ordinary shareholders—that is, one for each 10s. Ordinary share. There was no right given to take cash instead of shares. The normal procedure in the issue of bonus shares was followed, and on August 1, 1952, the trustees received a letter of allotment for 14,000 shares. The last day for splitting was September 3 and that for registration of renunciations October 31. Pending the issue of share certificates, transfers were to be certified by the company against surrender of allotment letters. The letter of renunciation by the trustees was, according to Danckwerts, J., not filled in and signed by them until August 11. In the meantime, a document had been executed dated July 31, 1952, which, his Lordship said, was plainly not the date when it took effect. It was actually, he held, not effectively delivered and operative before August 9 at earliest. At this date, as he said, all the interests in the new shares were equitable. By the document, Mrs. R. disclaimed all interest in 10,000 of the 14,000 shares in favour of her two children; and applications by the children for registration as nominees of the trustees were made on August 21.

After stating the arguments put forward for the appellants and rejecting them, Danckwerts, J., referred to a clause in the document of release whereby the trustees were to stand possessed of the 10,000 shares in trust

for the two children absolutely, and held that the clause was drafted entirely on the footing that the shares formed part of the trust fund and that, therefore, Mrs. R. was surrendering her life interest in favour of her children. Further, he held that as a result of the method adopted by the company, a very usual one, there was a binding agreement between the company and the existing shareholders for the allotment of the shares, although the trustees were given power to renounce in favour of someone else; and unless and until they did so they were the owners in equity of the 14,000 shares allotted. As a result, he held that Mrs. R. had acquired an equitable interest in the 10,000 shares, at latest upon August 1, 1952, the date of the receipt of the letter of allotment, and that the transaction was caught by Section 43 of the Finance Act, 1940, as amended, as being the disposal of a life interest in property which but for it would have passed on Mrs. R.'s death under Section 1 of the Finance Act, 1894. Had the decision been otherwise, it would apparently have made nonsense of the wording usually followed in letters of allotment in respect of issues of bonus shares.

Estate Duty

Gift inter vivos—Entire exclusion of donor—Gift of landed property to son—Subsequent partnership between donor, donee and another son—Use of donated land with other lands for business of partnership—Whether donated land retained by donee to entire exclusion of donor—(New South Wales) Stamp Duties Act, 1920–56, Section 102 (2) (d).

The historical relationship between this country and New South Wales makes it not surprising that in both countries the conditions necessary for gifts *inter vivos* to be exempt from death duties are substantially the same. To quote from the New South Wales law upon which the present case arose, all gifts are to be included in the dutiable estate irrespective of when made:

of which *bona fide* possession and enjoyment has not been assumed by the donee immediately upon the gift and thenceforward retained to the entire exclusion of the deceased, or of any benefit to him of whatsoever kind . . .

and in *Chick v. New South Wales Commissioner of Stamp Duties* (Privy Council, 1958, T.R. 291), the sole question was whether on the facts the condition as to exclusion was fulfilled.

On February 19, 1934, the deceased had given to one of his sons, Clifford

John Chick, a property known as "Mia Mia," without reservation or condition. This appellant was then living on the property and had continued to do so until the death of the deceased in 1952. Seventeen months later, on July 25, 1935, the deceased, the said Clifford John Chick and another son entered into a partnership to carry on the business of graziers and stock-dealers. Each of the three partners had a holding which was to be used for the purposes of the partnership; but a clause in the agreement provided that lands held by any of the partners at the date of the agreement or acquired afterwards were to be and to remain the sole property of such partner and were not to be an asset of the partnership. The capital of the firm was to consist of the livestock and plant owned by the respective partners or acquired in connection with the business. It was also provided that any partner holding any land brought in should have and retain the sole and free right to deal with it as he thought fit. The deceased was to be manager of the business, and his decision was to be final and conclusive in all matters relating to the business.

Each of the partners had brought into the business livestock and plant; and each owned a property which in pursuance of the partnership agreement was used for the business, that of Clifford John Chick being "Mia Mia." The respondent Commissioner had included the value of "Mia Mia" in computing the value of the deceased's estate, thereby increasing the duty chargeable from £13,500 to £27,100, and he claimed that, on the facts, the appellants were precluded from claiming that the "*bona fide* possession and enjoyment of the property," though it might have been assumed by the donee, Clifford John Chick, immediately upon the gift, was not at all times until deceased's death retained by him to the entire exclusion of the deceased. The Supreme Court of New South Wales had upheld the Revenue claim and this decision was now affirmed by the Privy Council, Viscount Simonds giving their Lordships' decision. He said that whilst it was not in dispute that the donee assumed possession and enjoyment immediately upon the gift, the question was whether he also thenceforth retained it—a question, he said, which depended upon the facts. It was asked for the Commissioner how it could be said that the deceased had been entirely excluded when for some seventeen years he had been member of a partnership whose right it was to pasture their stock

upon it, and he himself was the manager of the business with the decisive voice upon all matters relating to it. To this simple presentation of the case, Viscount Simonds said, no adequate answer had been given by the appellants. At a later stage in the judgment, Viscount Simonds referred to the various arguments raised upon behalf of the appellants and said it was difficult to see what bearing they had when "the simple question is whether the donor has been excluded from the subject-matter of the gift, a pastoral property known as 'Mia Mia,' and the clear answer is that he has not." At the commencement of his judgment Viscount Simonds had said that their Lordships had no doubt that the Supreme Court was right in upholding the Commissioners' claim. With the issue determined as one of simple fact upon which there was really no room for legal argument it would not seem to be necessary to refer to the cases cited and examined. It is to be noted, however, that, if *at any time after the gift*—"thenceforth" is the word used—the donor has not been entirely excluded, it is to be held to fail for estate duty purposes

and any question of benefit becomes irrelevant. Whilst the decision on the facts may meet with general approval, clearly its rigorous application in all cases regardless of circumstances could not do so.

Estate Duty

Personal estate in many countries—South African estate duty—United States Federal Estates tax—Dominion of Canada Succession Duty—Ontario Provincial Succession Duty—Incidence—Benefit of deduction (a) where double taxation agreement (b) where no such agreement—Finance Act, 1894, Section 7 (4)—Ontario Succession Duty Act, 1950, Sections 6, 8, 9, 11, 19, 24, 31—Double Taxation Relief (Estate Duty) (Canada) Order, 1946 (No. 1884)—Double Taxation Relief (Estate Duty) (U.S.A.) Order, 1946 (No. 1351)—Double Taxation Relief (Estate Duty) (South Africa) Order, 1947 (No. 314).

In the case of *In re Sebba* (Ch., 1958, T.R. 329—see also our issue of December, 1958, page 669), Danckwerts, J., had

to decide on an originating summons as to the effect of the various duties and reliefs referred to in the above head-note on the beneficial interests created by the will of one Adolph Sebba, who died in September, 1955. The deceased owned no land but left a large personal estate, situated in various countries, liable to U.K. estate duty at 50 per cent. The case is important within a limited field but scarcely warrants more than brief notes of his Lordship's conclusions. The overseas duties as a whole should be treated as part of the cost of getting in the assets and be payable out of residue. Where there were double taxation agreements, the same should enure for the benefit of the persons by whom the British estate duty had to be borne, rateably according to the incidence on those persons of the said duty. In regard to the Ontario succession duty, those who had to bear the proportion of the British estate duty should also receive the benefit of the concession made by the Revenue whereby that duty was allowable as a debt deductible in arriving at the value of the Ontario property.

Tax Cases—Advance Notes

COURT OF APPEAL (Lord Evershed, M.R., Romer and Ormerod, L.JJ.).
Kerr v. Westminster. January 28, 1959.

The then Duke of Westminster in 1930 irrevocably appointed a rent-charge of £6,000 per annum in favour of his wife, to commence with his death. He also covenanted that his personal representatives should pay her such a yearly sum as together with the rent-charge would after deduction of income tax (both standard rate and surtax) leave a net yearly sum of £6,000. The marriage was dissolved in 1947 and the Duke died in 1953.

The Court held unanimously, reversing Danckwerts, J., that Section 486 of the Income Tax Act, 1952, applied to the payments. The "provision" had been made before September 3, 1939, and *Berkeley v. Berkeley* [1946] A.C. 555 had no application.

Leave to appeal to the House of Lords was given.

CHANCERY DIVISION (Harman, J.).

Re Armitage's Settlement. Hare v. Ryoll, Commissioners of Inland Revenue and others. December 19, 1958.

A. executed a voluntary settlement on May 1, 1946. The settlement was to comprise such money or investments as the settlor might from time to time deliver to the trustees. When the settlement was made, the settlor was married with three infant children. His wife was under forty and he might have had further children.

The settlement recited that the settlor was desirous of making provision for the benefit of his children and their issue. Harman, J., held that "children" in the settlement meant "children born or hereafter to be born," not merely the children of the settlor existing at the date of the making of the settlement.

Clause 5 (a) of the settlement provided: "After the death of the settlor the capital and income of the trust fund

shall be held in trust for the said children of the settlor who attain the age of twenty-five years absolutely . . ."

The learned Judge interpreted this as meaning that there was a gift to all children equally who attained twenty-one (the age being cut down by Section 163 of the Law of Property Act, 1925) whether or not they survived the settlor.

The clause continued: ". . . that if any child of the settlor shall die in the lifetime of the settlor having attained the age of twenty-five years or after the death of the settlor but before attaining that age leaving children him or her surviving who attain the age of twenty-one years then and in that case the presumptive share of such child so dying in the trust fund shall be held in trust for such children and if more than one in equal shares absolutely . . ."

Harman, J., stated that this meant that the two elder children of the settlor (who were twenty-one) had vested interests. The third child had not attained twenty-one, so had not a vested interest. If one of the two elder children should die before the settlor this operated to divest her interest in favour of a child of hers who attained



DIEHL SAVINGS ARE REAL SAVINGS

LET THE FACTS SPEAK FOR THEMSELVES

You save on initial cost because Diehl's range is so comprehensive that you can be sure of exactly the right combination of features for your work at the right price.

You save on time and operator cost because Diehl's exclusive features of automatic short-cutting, automatic memory, automatic back transfer ensure complete accuracy and reduce figure re-handling to the minimum. Hence more work can be done by both operator and machine.

You save on after-sales service because Diehl is renowned for rugged reliability. Diehl's exclusive short-cut action actually reduces wear by 40% and maintenance costs of a Diehl calculator are the lowest for this class of automatic machine.

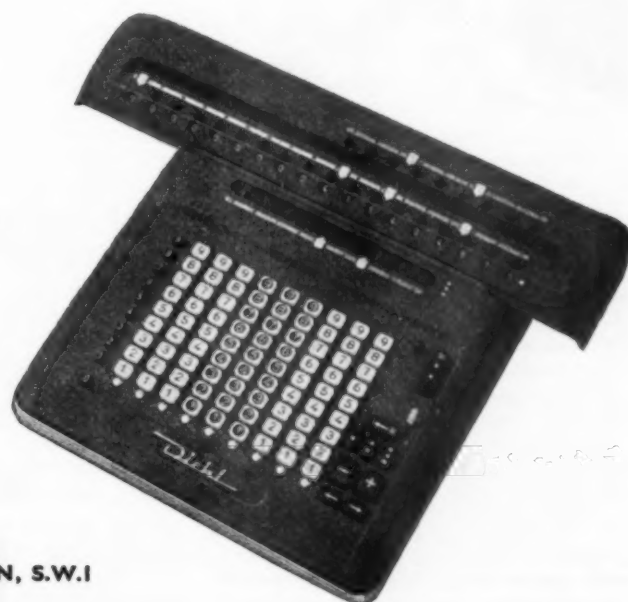
YOU GET A GOOD DEAL MORE FROM

Diehl

CALCULATING MACHINES

ARCHIMEDES-DIEHL-MACHINE CO. LTD
CHANDOS HOUSE, BUCKINGHAM GATE, LONDON, S.W.1

Telephone ABBey 2014



TO ALL PUNCHED CARD USERS

We are proud to announce a further extension to our Punched Card Department.

With a capacity soaring well over 1,250,000 cards per week, we offer these extra facilities:

- **PUNCHING SERVICE**
Trebled capacity and therefore very rapid service on 21, 36, 40 and 65 column Powers-Samas cards and 80 column Hollerith cards.
- **REPRODUCING SERVICE**
Fast service available on 36, 40 and 65 column Powers-Samas cards.
- **SORTING**
Additional capacity on 21, 36 and 65 column Powers-Samas cards.
- **TABULATING**
Large capacity on 21, 36 and 65 column Powers-Samas cards.

Specialists in complete processing of market research questionnaires; every type of census and statistical work; sales, purchase and wage analyses, etc.
Our representative will be happy to call, on request, to give you full details of our country-wide, very efficient and reasonably priced service.

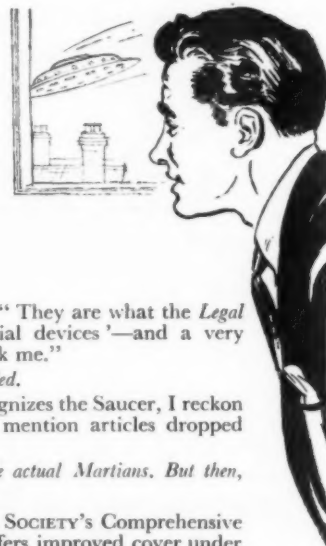
For brochure write or 'phone M. Murtagh, A.A.C.C.A., A.C.I.S.
Director - Punched Card Division

The Calculating Bureau

REGENT HOUSE
223 · BRISTOL ROAD · BIRMINGHAM 5
Telephone: CALthorpe 3161/2



*"I'm no alarmist,"
I told my client—*



"but you must admit that life is more hazardous than it was."
He begged me to stick to the point. All he wanted was to insure his house and its contents.

"I believe you have an old house?"

He gave me the date to a year, trying not to look conceited.

"Quite so," I said, "With a great TV mast clamped on the chimney—a thing the Georgian bricklayers probably didn't bargain for."

He asked me what I meant.

"A fine old chimney . . . a fine old gale . . ."

His eyebrows rose.

"Or take saucers," I said.

They rose higher.

"Well, that may be too specific," I admitted. "Let's make it artificial satellites. You see, a policy might cover you against damage by aircraft, or articles dropped therefrom—"

He said he should hope so.

"—but aircraft are not the only thing in the sky these days. It would be bad luck to get a couple of gables knocked off by a stray nose-cap from a long-forgotten sputnik . . ."

Just a minute, he said, sitting up. Was I telling him that he could insure against such contingencies?

"Could and should," I told him. "They are what the *Legal and General* describe as 'other aerial devices'—and a very liberal-minded description, if you ask me."

He wanted to know why liberal-minded.

"Because if and when Science recognizes the Saucer, I reckon that must be covered too. Not to mention articles dropped therefrom."

He asked if the latter would include actual Martians. But then, clients are very hard to please nowadays.

The LEGAL & GENERAL ASSURANCE SOCIETY'S Comprehensive Insurance for Private Houses also offers improved cover under fifteen other headings, with no increase in the present rate of premium. For full details of policies that keep pace with the times, write to:

LEGAL & GENERAL



ASSURANCE SOCIETY LIMITED

Fire & Accident Departments:
Aldwych House, London, W.C.2.

Chief Administration: 188 Fleet Street, London E.C.4

twenty-one, but not otherwise. If the third child died under twenty-one, whether before or after the settlor, but having had children who attained twenty-one, they would take his share. Grandchildren need not survive the settlor to take. The limitations created only one class of beneficiary. If there were a child of the settlor born after the date of the settlement who survived his father but did not attain twenty-one and who had children, those children would not be ascertainable within the perpetuity period and the limitation would be avoided. His Lordship decided that, as part of the class was outside the period, no part of the limitations was good.

Clause 8 of the settlement provided that in the event of the failure of all the trusts therein declared the trustees should hold the trust fund in trust for the wife of the settlor, if then living, absolutely. The learned Judge held that this disposition was valid.

COURT OF SESSION (The Lord President (Lord Clyde), Lord Patrick and Lord Mackintosh).

Commissioners of Inland Revenue v. Coia, trading as Achilles Motor Co. January 8, 1959.

The respondent carried on the business of garage proprietor, including the selling of petrol. He entered into an agreement with the Esso Petroleum Co. Ltd., under which, in consideration of its agreeing to assist him in the purchase of additional ground at the rear of his garage at a cost of £450 and in the building of a lubrication bay and extensions to his garage and workshop to the extent of £1,100, he undertook to take all his requirements of motor fuel at the garage from Esso for ten years. Under the agreement, the respondent received from Esso £422 10s. 5d. in reimbursement of the cost of purchasing the ground and £462 10s. to reimburse part of the cost of extending the garage and workshop. The General Commissioners held that these receipts were of a capital nature and were not to be included in the receipts of the respondent's trade. The Court unanimously upheld their decision.

Stevenston Securities Ltd. v. Commissioners of Inland Revenue. January 8, 1959.

This appeal was against an assessment for stamp duty on an annuity bond dated April 15, 1957. The assessment was made on the basis that the bond was chargeable with conveyance on sale duty under the Stamp Act, 1891,

Section 60. The appellant company contended that the bond was a purchased life annuity within the meaning of the Finance Act, 1956, Section 38, and a smaller duty should accordingly be paid. The annuity was granted by the appellant company to D. Under it, in return for a capital sum paid to it, the appellant company contracted to pay D. an annuity.

The appellant company was a private company incorporated in 1952 with an issued share capital of 61,000 £1 shares. D. was one of the seven shareholders and owned 10,000 shares. The primary purpose of the company, as appeared from the Memorandum of Association, was to carry on the business of an investment trust company in all its branches. Among the ancillary purposes in the memorandum, however, power was conferred to borrow or raise money by way of annuities. A few days before D.'s annuity was granted, the company had granted an annuity bond to a man and his wife in somewhat similar terms.

The Court decided unanimously that for the annuity to fall within Section 38 it should have been granted in the ordinary course of the business of granting annuities on human life. In this case it was granted under the subsidiary powers of the Memorandum of Association. The company had therefore to show that it was carrying on a subsidiary business of granting annuities on human life and that D.'s annuity was granted in the ordinary course of that business. To do this the company had to show that there was an intent that the annuity should be one of a series. There were no facts from which such an intent could be inferred. Therefore the appeal was dismissed.

Commissioners of Inland Revenue v. Executors of Lord Trent, deceased. January 6, 1959.

The question for decision was whether T. was the occupier (within the meaning of the Income Tax Act, 1952, Section 115) of Pond Wood, part of an estate on which timber was grown.

In 1950 T. sold Pond Wood to various purchasers. The subjects disposed included the lands, "the whole parts, privileges and pertinents thereof and our whole respective right, title and interest, present and future in and to said area of ground." Excepted from the subjects sold were "all timber and timber like trees, poles and underwood, standing on the subjects hereby disposed . . . which are hereby reserved to me (T.) and my successors with the following rights which are also reserved to me and

my successors, namely, (first) right to me and them (and authorised persons) to enter on the subjects hereby disposed for the purpose of inspecting, cutting and felling any of the said timber or burning the brushwood or the lop and top thereof and (second) right to me and them (etc.) to remove and cast away any of the said timber or timber-like trees, poles and underwood." These timber rights were to cease on December 3, 1952.

In 1951, T. entered into an agreement with timber merchants whereby he sold certain of the timber in Pond Wood. T. assigned to the timber merchants a thinning licence obtained previous to the sale. They cut and removed the thinnings, paying T. for the licence and the thinnings. T. also measured and sold some blown timber in 1951 and measured and sold a small quantity of standing timber in 1952, to timber merchants.

The Special Commissioners did not consider the extent of the operations with regard to the timber by T. was sufficient to make him an occupier. The Court stated that this was a question of fact and unanimously upheld their decision.

Commissioners of Inland Revenue v. William Sharp & Son. January 9, 1959.

The respondents were public works contractors who in 1950 entered into an agreement with the North of Scotland Hydro-Electric Board for a supply of electricity for lighting, heating and motive power at one of their (the respondents') quarries. The agreement was to subsist for seven years from the commencement of the supply, and payment was to be in terms of one of the Board's recognised tariffs subject to a minimum payment of £75 per quarter. The supply began in April, 1952. In 1955, the quarry was abandoned by the respondents, further working being impracticable. The last quarterly payment was made in June, 1955. After negotiations between the parties the Board agreed to accept from the respondents a lump sum of £600 in full settlement of all sums claimable under the agreement, which was thereupon discharged. This sum was arrived at by taking the cost of installation less the revenue received plus 20 per cent. The resultant £600 was unanimously held by the Court to be of a capital nature and thus not deductible in arriving at the respondents' trading profits. Accordingly the Crown's appeal from the decision of the General Commissioners was allowed.

The Month in the City

Funds Back in Favour

January was a period of great activity on the stock exchanges but one of some disappointment to many investors. The principal factors were, on the one hand, the after-effects of convertibility and, on the other hand, the almost universal talk of a General Election in May, coupled with a growing belief that Conservative popularity was waning. Foreign investment in British stocks—in particular the operations connected with the final acquisition of control in *British Aluminium*—affected stock exchange prices and the value of sterling, especially against the dollar, but were factors of transient importance. Such information as emerged concerning production in the United Kingdom and the overseas balance of payments was somewhat contradictory and not too encouraging. The resulting uncertainties, and a belief that a return of Labour to power would be good for gilt-edged stocks and bad for equities, explained the movements. The net outcome can be summarised by saying that the yield margin between Old Consols and the Ordinary shares in the *Financial Times* index increased from 0.31 points to 0.77 points on the month of January. In the first few working days of that month the Funds gained over two points, then declined in value for a fortnight and made good the bulk of this loss before the month-end. Other fixed interest stocks provided a rather pale reflection of this movement, while equities, after holding up pretty well in the first fortnight, lost over 5 per cent. on the whole month. Gold shares followed a reverse course, showing in the end a net improvement based on the belief that the sag in earnings was ending, supported by a new drive to secure a write-up in the dollar price of the metal. The net result, as reflected in the indices of the *Financial Times*, was: Government securities up from 84.72 to 86.56; fixed interest from 92.26 to 93.43 and gold mines from 86.0 to 87.5; industrial Ordinary shares down from 225.5—the peak level—to 212.8. Changes on the year to end-January, 1959, as shown by the *Actuaries' Investment Index* are rises of 31.0 per cent. on the year in capital goods shares and of 41.9 in consumption goods shares. Outside these groups, chemicals and miscellaneous rose by over 42 per cent. and oil and shipping by only 14.0 and

14.6 respectively. The rise in industrials was 33.2 per cent. No group failed to rise on the year, but the rises ranged from 86.7 for newspapers and publishers to 4.0 for shipbuilding.

Banking Results

In 1958, compared with 1957, the eight leading London clearing banks showed a rise of over 10 per cent. in profits after allocations to internal reserves and tax. Dividends absorbed more on the year and took in all three-fifths of the rise in net profit. Profits rose in part because internal reserves demanded less than they had done for some time. The rise in gilt-edged has allowed all the main banks to take in investments at below market values, although in its consolidated statement the *Midland* just fails to do so. Balance sheets show gross deposits at a record level of some £7,940 million or £295 million up on the year, with advances up by £416 million, Treasury bills down by £210 million and investments little changed. Investments actually fell heavily in December and a further fall in January helps to explain the course of the Funds. Other changes in banking figures to date include some clearing up of the position as regards transit items and the separation in the monthly statement of the item "other accounts" from both current and longer-term deposits. There must also be recorded the opening of the first "drive-in" bank in the country, by the *Westminster* in Liverpool, and the announcement of a similar opening this month by *Martins* in Leicester. The bank chairmen devoted much of their addresses this year to a rather inadequate account of the recent new departures into hire-purchase and various means of attracting depositors of modest means. There is some doubt among the chairmen about the benefit of high short-term rates, but on one point all are agreed—namely, the great merit of leaving the banks free to determine their own lending policy. The bestowal of this freedom upon the banks is probably the outstanding banking event of the year.

British Aluminium

The fate of this concern was finally determined by the announcement on January 21 that the Treasury had sanctioned its acquisition by *Reynolds-Tube Investments*, subject to control

remaining with the British partner of the group. The requisite share transfers to satisfy the condition have been arranged and it seems probable that the remaining shares outstanding will go to the group in the near future. Some larger implications of this affair are discussed on page 67. The price of *British Aluminium* shares improved to 82s. 6d. at the end of the month.

Building Society Developments

Among several developments in the building society movement three deserve special mention. First, the *Building Societies Association* has decided against any general reduction in lending rates for the time being. Second, the *Leicester Permanent* is able to report favourable results from its offer of fixed-term shares and deposits, open over the last twelve months. Some £5 million was brought in, of which £3.2 million was new money, accounting for nearly the whole increase in 1958 compared with 1957 in the total funds received from investors, excluding interest. This result was achieved despite a cut in the rate to 3½ per cent. on shares offered after October 1. Thus borrowing for longer terms has been proved to be a practicable method of financing a building society. It is to be hoped that it will not be long before other societies also make inroads into the "borrowing short and lending long" which, especially at a time like the present, when rapid expansion has eaten into reserve ratios, has made the movement so vulnerable to criticism. So far, however, the *Leicester Permanent* is the only society to have built up a substantial volume of longer-term finance, though a few others have secured some. Third, the *Sheerness and Gillingham* society has resisted two takeover bids in favour of one made by *Hastings and Thanet*. Information is not sufficiently detailed to make possible an objective opinion on whether the decision was right or not, but the fusion of small societies with larger ones on a geographical basis seems desirable. This consideration does not, however, even begin to justify the attacks which were delivered against those making the unsuccessful bids on the grounds that they were not acting as gentlemen. The bidders were attracted mainly by the high reserve ratios of *Sheerness* and were simply seeking to conduct a business and investment operation.

Unit Trusts

There have been further offers by unit

trusts and more publicity on Conservative plans to promote moves along this avenue towards the property-owning democracy. Simultaneously, there has developed a campaign pointing out that a great growth in this type of investment

would carry further the supposed divorce between the ownership and the control of public companies. One might also say that, conversely, well-spread holdings through a single investment weaken any effects upon the unit holder

when adversity hits a particular company. An early need seems to be for Government action to facilitate the development and to protect unit-holders. Some of the issues are further considered in an article on pages 70-72.

Points From Published Accounts

Spreading Profits on Work-in-Progress

The Excess Profits Levy is a sufficiently rare charge nowadays to warrant a mention when it appears in company accounts. It still crops up occasionally when profits on contracts undertaken some years ago are now being brought to book. The latest accounts of *A. Monk* show a charge of £127,990 under this head in the profit and loss account for the year ended February 28 last, relating to contracts completed during the year and spread back to 1952 and 1953. The item is a reminder of the difficulties of accounting in a business where work-in-progress may be spread over several years. The method adopted in the profit and loss account is summarised below:

	£
Profits from contracts (after charging £249,363 depreciation)—	
On contracts completed prior to February 28, 1957 ..	89,609
On contracts completed during this year	660,537
Proportion of estimated profits less all estimated losses on work-in-progress	200,000
	950,146
Less: Amount brought in at February 28, 1957 ..	210,000
	740,146

The amount brought in at February 28, 1957, naturally figures in the comparative profit for that year. The procedure is more elaborate than is generally met with in accounts of this nature, but there is indeed much to be said for it—particularly in that it shows at a glance just how the total profit is made up. With this method, the profit is automatically adjusted each year to

allow for the profit estimate made on work-in-progress in the previous period, so that the net result is still a concrete profit figure.

A point of minor criticism of the accounts is that they show "directors' bonuses" separately as a charge on profits in the profit and loss account. The sum deducted is £30,000, which, by reference to the notes section, is seen to be a part of total remuneration, including fees and emoluments, of £52,125. It would be better either to show the whole of the directors' remuneration in the profit and loss account, or else to leave the bonus element out of it.

Grouping Unlikes

A point of principle arises in the profit and loss account of *Williams and Williams*. The following item appears: "Over provisions for United Kingdom and overseas taxation in previous years and tax deducted from debenture interest . . . £21,918." Over-provisions of tax are to be regarded as exceptional items in calculating net profit: tax deducted from debenture interest does not come into the same category and therefore should not be lumped under the same heading.

Intriguing

A new format adorns the last accounts of *Hall and Co.*, a business that is showing itself very much alive to the new trends in presentation. The accounts are given with the pages edged in blue, so that the figures are, in fact, framed—an unusual scheme which helps to highlight them.

Presentation apart, the point of immediate interest in these accounts is the treatment of the surplus realised from the sale of sundry assets. In the past year, this sum amounted to £15,047, and, as previously, it has been transferred

straight to the general reserve. Looking to the appropriation section of the profit and loss account, one sees the following:

	£
General reserve	169,107
Less Surplus on sale of sundry assets shown above ..	15,047
	154,060

The general reserve goes up by the £169,107.

An intriguing treatment. It is doubtful whether many lay readers of these accounts could say exactly what has happened to the surplus. Since there is no capital reserve in the balance sheet, it is presumably being treated as revenue (which is quite understandable if one has a working knowledge of the background of companies like this) and the method adopted would seem to be designed to make clear its special nature, *vis à vis* the normal trading income of the business. But a word of explanation in the notes section would not have come amiss.

Changed Stock Valuation

The accounts of *Rover* are straightforward enough, and clearly presented. But there has been a tendency in the past to mar continuity from one year to the next by making adjustments in comparative figures that are only apparent when set against the original figures in the accounts of the previous year. The latest accounts are free from such blemishes, but continuity has still been broken by the decision to change the basis of stock valuation. The relevant note points out that the valuation of stock and work-in-progress has been changed to a basis more in line with that applicable for taxation purposes, and that the effect has been to increase the valuation of stocks and work-in-progress by £461,481, which has been added to the general reserve. The note further points out that "if the new basis of valuation had been applied for the period ended August 3, 1957, the profit of that period, before taxation, would have been lower by £81,598."

Mr. S. B. Wilks, the chairman, gives

an explanation of the matter in his statement, pointing out that, under the old accounting system first adopted some twenty-five years ago, there was a tendency to distort the financial results in years in which there was an appreciable difference between the opening and closing stocks. Presumably such a distortion would have occurred during the past year if the change had not been made, for stocks and work-in-progress rose from £4.0 million to £7.0 million in the consolidated balance sheet. In all

fairness it has to be said that difficulties of the kind are bound to arise whenever a company adopts a change of procedure, but it might have helped if the relevant note had pointed out what the profit would have been in the latest year had the old system of valuation prevailed.

Re-grouping of Assets and Changed Depreciation Basis

Crittall Manufacturing has now gone over to the straight-line method of calculating depreciation. The depre-

ciation charge shown in the group profit and loss account is down from £183,171 to £153,160, but there is nothing to connect this reduction directly with the change of policy. The chairman, Lord Braintree, gives an assurance that, notwithstanding the change, "... we have continued our policy of making adequate provisions." The interesting feature about the development is that it follows a re-grouping of certain of the fixed assets to accord with definitions now adopted for their allocation.

Letters to the Editor

Investments at Market Value

Sir,—The figure shown as the market value of quoted investments—either as a note or, when investments held as current assets have fallen below cost, in the balance sheet figures themselves—is normally based on the middle market price at balance-sheet date. This practice is supported by paragraph 28 (a) of Recommendation 20 of the Institute of Chartered Accountants in England and Wales. I consider that it is illogical and incorrect.

Other current assets, such as stock and work in progress, are valued at the lower of cost and market value. Market value is usually interpreted as value in the selling market, but sometimes cost of replacement is used. An overriding maximum is the selling price less expenses to be incurred. Even the few companies which depart from the usual practice, by valuing investments at the lower of the two quoted prices, are thereby not allowing for the selling expenses.

To value investments at "mid-market quote" is to apply a completely different principle. The market quotation indicates, not a range of prices obtainable, but one price at which the investment will be bought by the person to whom the holder sells and one at which that person will sell to his customers. It is not relevant to consider whether or not there is a likelihood of having to realise the investments: the practice should be consistent with that followed for current assets generally, which is to show the true cover available if the current liabilities had to be met immediately.

Investments are worth their selling value, less brokerage, etc., on sale, and not more.

Yours faithfully,

E. R. KERMODE, A.C.A.

Addis Ababa.

Accountants and Youth Clubs

Sir,—The Oxford House in Bethnal Green is one of the oldest established Residential

Settlements. Since 1884 its staff and residents have been helping in the organisation of clubs for local people of all ages.

Whenever possible, we encourage local people to take an active part in the management of these clubs. We find, however, that very few of these people have any knowledge of accountancy and, for this reason, the office of Honorary Treasurer is a difficult one to fill. It is in this connection that we seek the help of your readers.

I believe that many accountants would find that to offer their services in this way would result in a new interest for themselves which was not unduly onerous and which was of immense value to the clubs concerned.

It any of your readers feel that they might be able to help, I shall be very interested to hear from them and to give them further details.

Yours faithfully,

PETER F. PALMER, A.C.A.,

Vice-Head of The Oxford House.

The Oxford House,
Mape Street,
Bethnal Green,
London, E.2.

Accounting for Contracts

Sir,—I should like to obtain information on behalf of the company for which I work with regard to difficulties we have encountered in satisfactorily accounting for large and numerous contracts.

We are at present attempting to modify an obsolete and inadequate system designed to cope with only a fraction of our current volume of sales. The main problems are as follows:

1. The large number of individual contracts for one customer, invoices and payments for which are all recorded on one ledger account.

2. Arising out of the above point is the difficulty of adequately correlating debits and credits.

3. When we submit claims for payments on account, the amounts paid frequently do not agree with the amounts claimed. How should the amounts left over be treated?

4. Claims for payments on account are subject to a 20 per cent. retention. What is the best method, and at what stage should

the debt for this retention be set-up in the books?

5. Apart from the recording in the books, there is the problem of following up these retentions as they become due.

At the moment, the policy of the company is not to take any profit on a contract until completion, out of which has arisen a system of "claim" invoices which appear on our statements but not on the debtors' ledger accounts. This has made periodic reconciliations of statements and ledger accounts necessary, as we also receive cash against which we have no corresponding debit on the debtors' accounts. The cash received is "marked off" against the appropriate invoices on the statements which we send out but, as stated earlier, frequently cash received does not tie up with the amounts invoiced. This results in our statements showing balances brought forward sometimes for considerable periods, which balances will never at any time refer to figures in the ledger and do not refer to specific invoices.

Our present system is wholly handwritten, although we have gone into the question of mechanisation in some detail. It is obvious to us, however, that our fundamental accounting principles are either wrong or inadequate and that much reorganisation is necessary before we can consider mechanisation.

I shall be grateful if any readers who can advise on this will write me c/o the Editor of ACCOUNTANCY.

Yours faithfully,

ASSOCIATE

Accounting Fun

Sir,—May I through your columns thank all those of your readers who have so kindly taken the trouble to write to me about their many and varied experiences, which have ranged from the broadest farce to quiet, homely wit.

I only hope that in due course my publishers will find my own manuscript as acceptable to them as these stories have been to me!

Yours faithfully,

LAURENCE HENRY

(Pseudonym of a member of the Institute)
London, E.C.3.

Neville Industrial Securities Ltd.

and

Neville Developments Ltd.

Provide a complete service for the Public Flotation of Companies.

Assistance can also be given to Owners of Companies too small or not suitable for flotation to alleviate their Surtax and Death Duty problems.

Company Registrars

For the information of investors a Quarterly List giving particulars of all companies sponsored is available on application

Neville House, 42-46 Hagley Road, Edgbaston, Birmingham, 16

Telephone: Edgbaston 5431-2-3-4

Telegrams: Trustnevil Birmingham

LET NOBLE LOWNDES ADVISE YOU ON

Staff Pensions

Since no two businesses are identical every pension scheme must be individually designed and serviced if it is really to fulfil the requirements of the employer. Widely varying degrees of seniority, length of service, productivity, responsibility and remuneration must be balanced and assessed against the background of the financial and administrative structure of the company or firm in question. This is a job for specialists. NOBLE LOWNDES are the largest and most experienced pension scheme consultants in the British Commonwealth. They have pioneered every

major development in pension planning in this country for the past 25 years, including, for example, the first Top Hat scheme, and also the first cash gratuity scheme to be insured for hourly-paid employees.

NOBLE LOWNDES employ actuaries, accountants, statisticians, legal and taxation experts, and other pension specialists selected from 48 different insurance companies. Each of the 3,500 Companies—large and small—among our clients receives the same high degree of individual attention and service.

Let NOBLE LOWNDES advise YOU on STAFF PENSIONS.

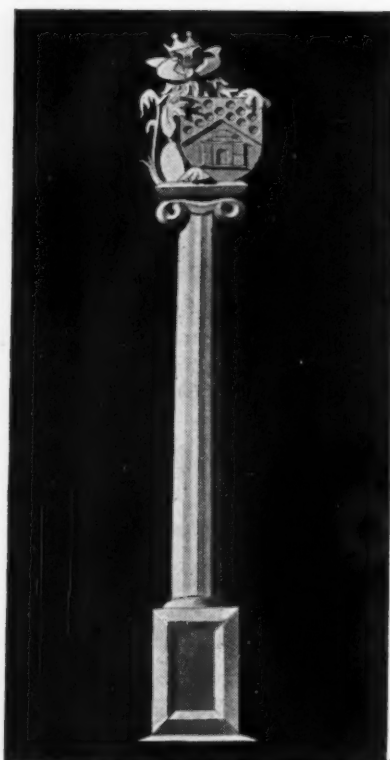


The Noble Lowndes Pension Service

NOBLE LOWNDES HOUSE • LOWNDES ST • BELGRAVIA • LONDON • SLOANE 3465 (15 LINES)

*Branches and
Associated Companies
at Home and Overseas*

BRITISH ISLES Belfast, Birmingham, Bristol, Cardiff, Cork, Dublin, Glasgow, Hull, Leeds, Liverpool, London, Manchester, Middlesbrough, Newcastle upon Tyne, Nottingham, Romford and Sheffield.
OVERSEAS Auckland, Bulawayo, Capetown, Durban, Johannesburg, Melbourne, Nairobi, Salisbury, Sydney and Wellington.
Also represented throughout Canada and the United States of America.



Exports-Imports ins and outs

If you deal abroad in any capacity, the long and varied experience of our specialists in overseas business is always at your disposal. If you require information on overseas markets or if you have any import or export problems you can be sure of prompt and efficient service.

National Provincial

for friendly service

NATIONAL PROVINCIAL BANK LIMITED

PEOPLE WHO READ "ACCOUNTANCY"
KNOW THE VALUE OF A WELL
BOUND ACCOUNT BOOK AND
APPRECIATE A WIDE CHOICE
OF STOCK RULINGS, HENCE
THEY ALWAYS INSIST ON THE

Guildhall SERIES



OVER 300 RULINGS FOR ANALYSIS, WAGE & COMPANY WORK

WRITE FOR YOUR COPY OF THE REVISED BLUE BOOK (No. 31)
CONTAINING UP TO DATE ILLUSTRATIONS SIZES AND PRICES

TOLLIT & HARVEY LTD.

THE "RULING" HOUSE

40 GRESHAM STREET, LONDON, E.C.2

TELEPHONE: MONARCH 8571



Readers' Points and Queries

Here is a forum in which our readers can make known, to the benefit of others, points of interest in accountancy, taxation and allied subjects, and can pose their queries. We usually reply by post to queries submitted and publish in these columns a selection of points and of queries and answers.

Readers are invited to send points or queries to the Editor (at 23 Essex Street, London, W.C.2).

Discretionary Trusts

Reader's Query.—In ACCOUNTANCY for January, 1958 (page 20), in the paragraph headed *Discretionary Trusts* it is stated that "the income beneficiaries normally include the settlor's wife, children and remoter issue."

Would not the unconditional inclusion of the wife as an income beneficiary destroy the quality of irrevocability pursuant to Section 399 of the Income Tax Act, 1952?

Reply.—Yes. If any part of the income or assets representing income arising under or comprised in the settlement can in any circumstances be applied to or for the benefit of the settlor or the settlor's wife or husband during the lifetime of any child who is a beneficiary under the settlement, the settlement is not irrevocable. But see the provisos to Section 399.

Several enactments make it advisable as a general rule to exclude the wife of the settlor from the class of beneficiaries. For example, the settlor and the wife or husband of the settlor should be excluded from benefit under the settlement to the extent necessary to avoid Section 405 (2) of the Act; that is to say, these persons should be excluded save in the circumstances set out in the proviso to that sub-Section. Settlers, however, were often anxious to include their wives as beneficiaries and this was frequently done, but with the necessary safeguarding provisos. For meaning of "wife" see *Vestey v. C.I.R.* (28 A.T.C. 89).

It is now also necessary to consider the effect of Section 22 (1) of the Finance Act, 1958, on discretionary settlements. For three examples of cases against which the Section is directed (given by the Solicitor-General at the Report stage of the Bill) see House of Commons Debates, July 15, 1958, cols. 1062, 1063.

Wife's National Insurance Contribution

Reader's Query.—I wish to raise a query about the income tax computation on page 543 of the October, 1958, issue of ACCOUNTANCY.

As I read the Act, Section 377 (2) says that the N.I.C. is to be deducted from the income of "that person," and goes on to prohibit any other "relief or deduction." This appears to mean: (a) that the husband gets full E.I.R. only because he has unearned income, and that the N.I.C. should accordingly be shown as a deduction from *that* income; (b) that as the wife has no unearned income, so that the N.I.C. must come off her earned income, her E.I.R. must be calculated on the net figure of £439.

One of my reasons for writing to you is that the textbooks I referred to seemed to evade this point, and an examination question in the May Society Final omitted N.I.C. from a computation, although such a contribution would clearly have been payable (by the wife) in the situation assumed. It would seem that the explanation of all this is that the question has not yet been authoritatively settled.

The general rule is that a wife's income is deemed to be her husband's for tax purposes, but there is a proviso to the Section—Section 354—which precisely fits Section 377 (2), it seems to me, and would mean that a wife's N.I.C. is specifically *not* deductible—see last sentence of first paragraph of the sub-Section—from her husband's income, except in so far as it cannot be deducted from income of her own.

Such an arrangement would involve abatement of E.I.R. and possibly A.P.R. if the wife has earned income, without having enough unearned to cover the N.I.C., but this would be in line with Section 220 (5), which abates the R.R.R. The alternative arrangement as used in the solution in ACCOUNTANCY gives double relief, i.e. E.I.R. on something which has already been deducted from total income; if any express provision were needed against this, Section 377 (2) surely makes it?

Reply.—The reader's suggestion has considerable merit but does not appear to be the official view of the relief to be

given. National Insurance contribution is a deduction from statutory total income and can, therefore, be a deduction from any income, including unearned income. If the wife has only earned income, the allowance will be set against that earned income. There is, however, no restriction of earned income relief, providing the husband has sufficient unearned income to cover his own and his wife's National Insurance contribution and that the wife's income is regarded as her husband's for tax purposes.

Initial Allowances for Motor Lorry

Reader's Query.—A local Inspector and I are in disagreement over the treatment of initial allowances in the undermentioned case.

Mr. A. commenced business in July, 1957, and purchased a motor lorry for £1,845, payable as follows:

Fiscal year ended:

5/4/58	..	..	£871	
5/4/59	..	..	£615	
5/4/60	..	..	£359	
			—	£1,845

Account year ended:

31/7/58	..	..	£1,179	
31/7/59	..	..	£615	
31/7/60	..	..	£51	
			—	£1,845

My computation is as follows:

1957/58 on £871	..	..	£174
1958/59 on £615	..	..	£123
1959/60 on £359	..	..	£72

The Inspector's computation is:

1957/58 on £871	..	..	£174
1958/59 £1,179—£871 =			
£308	..	..	£62
1959/60 on £615	..	..	£123
1960/61 on £51	..	..	£10

Which is correct?

Reply.—The reader does not state whether he is claiming that the assessments of the second and third years of assessment are based on the actual profits of those years, as may be claimed under Section 129, Income Tax Act, 1952, or whether the normal basis under Section 128 is applicable.

If he is claiming that the profits of the years 1958/59 and 1959/60 should be used as the basis of assessment for those years, then his computation is correct. If the assessment is based on the provisions of Section 128, then the Inspector's computation is correct.

It is presumed that the other figures given against the years of assessment are the initial allowances computed on the amount of the expenditure. The only point to watch here is the question of the rate at which those initial allowances are to be computed.

Legal Notes

Contract and Tort— Construction of Hire Purchase Agreement

K. entered into an agreement in writing with a finance company for the hire purchase of a car. By clause 2 (a) K. agreed to make an initial payment of £186 "in consideration of the option to purchase contained in clause 3 (b) hereof." The clause continued: "Credit for such payment shall be given to the hirer only in the event of such option to purchase being exercised by him." By clause 3 (b) the finance company agreed that: "If the hirer shall punctually pay the monthly hire rentals and all other sums due under this agreement and shall strictly observe and perform all the terms, conditions and obligations on his part contained in this agreement, he shall have the option to purchase the vehicle for the sum of 20s." K. paid the initial sum and some of the monthly instalments, but execution was then levied upon his goods at the instance of a judgment creditor, and the finance company retook possession of the car, as they were entitled to do under another clause in the agreement.

K. then took an ingenious point and claimed that he was entitled to recover his initial payment on the ground that the consideration for this was the option to purchase, that he had never had this option to purchase and that, therefore, the consideration had wholly failed.

In *Kelly v. Lombard Banking Co. Ltd.* (1959, 1 W.L.R. 41), the Court of Appeal refused to accept this argument. They said that the option to purchase was a right which existed from the date of the agreement, although it was subject to conditions, and the hirer had to fulfil his obligations before he became entitled to exercise the right. Accordingly the hirer had obtained what he had bargained for and was not entitled to recover the initial payment.

Executorship Law and Trusts— Courts' Power to Transpose Words of Will

In *Re Bacharach's Will Trusts* (1959, 2 W.L.R. 1), Vaisey, J., held that, if the wording of a will is confused but the testator's intention can be clearly ascertained from the context, the Court may transpose words in the will in order to make sense; if, however, more than one alternative rearrangement of the

words could be suggested as producing an equally reasonable and probable disposition of the testator's estate, the Court would have no power to choose between the alternatives and an intestacy would result.

In this particular case the testator had bequeathed his residuary estate on trust "to pay and apply the annual income arising therefrom to be divided into four equal parts one part to each of my children and two parts to my wife . . . as shall survive me until the children attain the age of twenty-three years and if more than one child in equal shares." The Judge held that, upon a consideration of these words and certain other passages in the will, the widow in his view was intended to take the two shares absolutely. The words "two parts to my wife" should have preceded instead of following the words "one part to each of my children," and he would construe the will with the words transposed in this way.

Miscellaneous—

Mortgagees' Claim for Possession of Matrimonial Home against Deserted Wife

The courts are still in the process of working out the exact rights of a deserted wife to possession of the matrimonial home which is or was the property of her husband.

In *Churcher v. Street* (1959, 2 W.L.R. 66) a deserted wife lived in the matrimonial home, which was owned by her husband subject to a mortgage in favour of trustees. The husband bought another house for his wife to live in but she refused to move. The husband then sold the first house to his mistress, and the trustees, who were advised that in the then state of the law the mistress could obtain possession against the wife, agreed that the mortgage created by the husband should be discharged and a fresh mortgage made by the mistress. An action for possession was brought by the mistress, but owing to the development of the law it failed. The mortgage interest then fell into arrears, the house started to fall into disrepair, and the mortgagees sought to realise their security and obtain possession of the house against the wife who was still living there.

Roxburgh, J., said that there were no limitations upon the discretion of the Court to grant possession in such a case except that it must be exercised in the light of judicial common sense having regard to all the relevant circumstances. It would be wrong to allow the wife to remain in the house indefinitely at the

expense of the trustees' beneficiaries, who were innocent parties, but account must also be taken of the difficulties that would face the wife in finding other accommodation. He made an order for possession in six months, but indicated that a further suspension might be granted if the wife paid up the arrears and covenanted to pay future interest and to keep the house in repair.

An Accountant's Guide to Recent Law

ACTS OF PARLIAMENT

Adoption Act, 1958.
Agricultural Mortgage Corporation Act, 1958.
Development of Industries Act, 1958.
Expiring Laws Continuance Act, 1958.
National Debt Act, 1958.

STATUTORY INSTRUMENTS 1958

No. 2121. Opencast Coal (Notice of Record) Regulations.
No. 2130. Coffee (Commonwealth Preference) Order.
No. 2131. Wines (Commonwealth Preference) Order.
No. 2136. Superannuation (English Local Government and Northern Ireland) Interchange (Amendment) Rules.
No. 2154 (L.16). County Court Fees (Amendment No. 2) Order.
No. 2173. Purchase Tax (No. 3) Order.
No. 2216. Exchange of Securities (No. 5) Rules.
No. 2184. Copyright (International Conventions) (Amendment No. 2) Order.
No. 2195. Pensions Commutation Payment Regulations.
No. 2198. Rate-Demands Rules.
No. 2226 (L.17). County Court (Amendment) Rules.
No. 2231. Land Powers (Defence) Act (Inquiries) Rules.
No. 2262. Public Service Vehicles (Lost Property) (Amendment) Regulations.

1959

No. 46 (C.1). Legal Aid and Advice Act, 1949 (Commencement No. 6) Order.
No. 47. Legal Advice Regulations.
No. 60. Industrial Assurance Companies (Forms) Regulations.
No. 86. Road Vehicles (Index Marks) (Amendment) Regulations.
No. 80 (C.2). Agriculture Act, 1958 (Appointed Day) (England and Wales) Order.
No. 81. Agricultural Land Tribunals and Notices to Quit Order.
No. 83. Agriculture (Areas for Agricultural Land Tribunals) Order.

*accounting
for better
business...*

A RANGE OF
LOW PRICED
ACCOUNTING MACHINES

From £205

- ★ SALES LEDGER
- ★ PURCHASE LEDGER
- ★ CYCLE BILLING
- ★ HIRE PURCHASE
- ★ STOCK CONTROL
- ★ COST ACCOUNTING
- ★ P.A.Y.E. ★ etc., etc.



Addo-X
Model 6347/70

ADDO-X

*Send NOW for
full details of the
complete range*

The 6,000 and 7,000 class accounting machines, represent a very great advance in low priced mechanised accounting. The selection bar takes four completely separate applications. This can be changed with one hand in a matter of seconds.

Available with front and rear feed, also with the new "auto-feed". 'Styled for tomorrow', these machines are simple to operate, quiet and extremely fast.

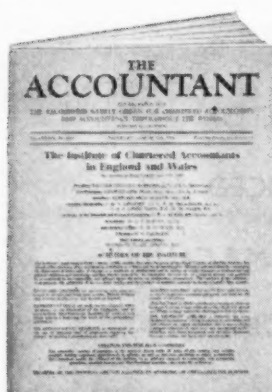
A fully trained staff of consultants is available to discuss and advise on your Accounting Systems.

BULMERS

B U S I N E S S M A C H I N E S

The BULMER Range . . . ADDO full keyboard, ADDO-X simplified keyboard adding-listing machines, ADDO-X accounting machines. FRIDEN and MULTO calculators. BULMER 50 rotary duplicator. BULMER-DEX card records, BANKDEX strip index and C.V.S. suspended filing.

BULMERS (CALCULATORS) LTD · EMPIRE HOUSE · ST. MARTINS-LE-GRAND · LONDON · E.C.1 · MONARCH 7994



You can rely on . . .

THE
ACCOUNTANT
. . . the accountancy world's
weekly newspaper

Editorial and
Advertisement
Offices:
**4 DRAPERS'
GARDENS
LONDON, EC2**
NATional
3701-2 and 0087

The classified advertisement columns of 'THE ACCOUNTANT' are a recognized medium, not only for Situations Vacant and Wanted, but for the buying and selling of practices and commercial businesses, and for the disposal of office equipment or premises. An average of well over 200 advertisements appear every week.

Price 1s 9d per copy
£4 18s 0d (including
postage) per year;
£2 10s 0d half-year

There are concessional
rates for articled clerks
and there is an AIRMAIL
EDITION for overseas
readers: details from
the publishers.

- ★ FOR INFORMATIVE ARTICLES
- ★ FOR UP-TO-DATE INFORMATION
- ★ FOR NEWS OF THE PROFESSION
- ★ FOR AN INCOMPARABLE CLASSIFIED ADVERTISEMENT SERVICE

PUBLISHED EVERY FRIDAY

Subscription and
Publishing Offices:

**GEE & CO
(Publishers) LTD**
27-28
BASINGHALL
STREET
LONDON, EC2

MONarch 5347-8

*A Sound Investment for all Progressive Practitioners
and Advanced Students*

Continuous Auditing

by Angus MacBeath, C.A., A.C.W.A.

The author of this book reviews the present methods of conducting audits; considers the needs of the day, and recommends a procedure whereby the existing time rigidity in auditing be removed to make way for audit practice which would end the too-frequent drive to verify the Balance Sheet at the end of each financial year.

The objects which the book seeks to achieve are: (a) To provide an audit incentive to encourage businesses to modernize their accounting records where this is necessary; (b) To enable audits to be completed rapidly so that annual accounts may be issued expeditiously; (c) To permit auditors to spread their work and so avoid the congestion which so often arises at particular times; (d) To assist in advancing the technique of auditing by removing the time barrier.

In making his suggestions the author reviews the whole approach to the audit work and discusses the treatment of the individual items normally found in annual accounts.

PRICE **17/6** NET

Post free U.K. 18/2

Order Form

GEE & COMPANY (PUBLISHERS) LIMITED
27-28 Basinghall St, London, EC2 MONarch 5347-8

Please send _____ copy(ies) of CONTINUOUS AUDITING, at 17/6 net,
18/2 post free U.K.

Name _____
(Block letters please)

Address _____
(Block letters please)

Remittance £ : : is enclosed.
ACCY 2/59

Date _____

DECISIONS OF THE COURTS

Administration of Estates

(i) Words used by testator showed intention to vary order of application of assets laid down by Act of 1925 and accordingly payment of debts, etc., thrown on to residue as a whole.

(ii) Section 33, which prescribed payment of legacies out of property undisposed of by will, applied to case of partial intestacy and legacies therefore payable out of undisposed of share.

In re Berrey's Will Trusts (1 W.L.R. 30; 1 All E.R. 15).

Bye-Law

Waiver of building bye-law by local authority—effect on contract.

Townsend (Builders) Ltd. v. Cinema News & Property Management Ltd. (infra).

Companies

Register of members not conclusive for estate duty purposes on question of "control of the company."

Barclays Bank Ltd. v. C.I.R. (2 W.L.R. 99; 1 All E.R. 65).

Contract

As contract was not illegal and as there was waiver by local authority of compliance with bye-law, builders held entitled to recover for cost of work done under contract.

Townsend (Builders) Ltd. v. Cinema News & Property Management Ltd. (1 W.L.R. 119; 1 All E.R. 7).

Estate Duty

Method of valuation prescribed by Section 55 of Finance Act, 1940, held not to apply, because looking beyond company register of members it was clear that deceased did not have "control of the company."

Barclays Bank Ltd. v. C.I.R. (supra).

(i) Estate duty held payable under Section 1 of Finance Act, 1894, on capital value of settled income actuarially ascertained arising under derivative settlement for limited period.

(ii) No acceleration of interests arising on expiration of twenty-one year period as in event of a prior death the trustees still had a discretion to accumulate.

Midland Bank Executor & Trustee Co. Ltd. v. Inland Revenue Commissioners (2 W.L.R. 77; 1 All E.R. 180).

Hire Purchase

Initial payment made "in consideration of option to purchase" held not recoverable after contract legally terminated by owners before option exercised.

Kelly v. Lombard Banking Co. Ltd. (1 W.L.R. 41). See page 100.

Landlord and Tenant

Application for grant of new lease refused under Act of 1954 as landlord proposed to demolish and reconstruct substantial part of premises.

Bewlay (Tobacconists) Ltd. v. British Bata Shoe Co. Ltd. (1 W.L.R. 45).

Negligence

Where fitter injured owing to defective door of machine house, held (i) occupiers liable to plaintiff as invitee although he knew doors defective but did not fully appreciate danger; (ii) employers in breach of duty to see that place where employee required to work was reasonably safe.

Smith v. Austin Lifts Ltd. (1 W.L.R. 100; 1 All E.R. 81).

Employers held not liable to employee for injury due to hidden defect in tool supplied to them and originally manufactured by reputable company.

Davie v. New Merton Board Mills Ltd. (T.N. January 29).

Occupier's Liability

See *Smith v. Austin Lifts Ltd. (supra).*

Power of Appointment

Held that as W. had no equitable interest in funds over which there was power of appointment, he was never capable of assigning or charging them at all and therefore case did not come within rule in *Dearle v. Hall*.

B. S. Lyle Ltd. v. Rosher (1 W.L.R. 8).

Priorities

See *B. S. Lyle Ltd. v. Rosher (supra).*

Rating

Premises occupied by General Nursing Council held not entitled to rating relief because main objects neither charitable nor "otherwise concerned with the advancement of social welfare."

General Nursing Council for England and Wales v. St. Marylebone Borough Council (T.N. January 29).

Petrol tanks at a filling station held not "in the nature of a building or structure" and accordingly not rateable under the Plant and Machinery Valuation for Rating Order, 1927.

Shell-Mex & B.P. Ltd. v. Holyoak (Valuation Officer) (T.N. January 29).

Restrictive Trade Practices

Price-fixing agreement contrary to public interest as it preserved excess capacity in the industry and caused waste of national resources.

In re Yarn Spinners' Agreement (T.N. January 26). See a Professional Note on an earlier page.

Shops Act

Held, that a mixed shop carrying on trade of many classes was not obliged to close early on day fixed by local authority for one class of shop.

Fine-Fare Ltd. v. Brighton Corporation (T.N. January 29).

Statute Construction

Held by Judicial Committee of Privy Council that tractors and trailers were not "carriages" within Section 12 of the Wharfage Law 1895 of Jamaica.

Kingston Wharves Ltd. v. Reynolds Jamaica Mines Ltd. (2 W.L.R. 40).

Town and Country Planning

Planning authority had no right of appeal from decision of magistrates quashing enforcement order—annoyed but not "aggrieved" within Section 23 (5) of Town and Country Planning Act, 1947.

Jones v. Ealing Borough Council (T.N. January 21).

REPORTS

Command Papers

No. 610. Colombo Plan for Co-operative Economic Development in South and South-East Asia. 7th Annual Report.

No. 611. Foreign Compensation. 8th Annual Report.

No. 622. Sealing of Contracts made by Bodies Corporate. 8th Report of Law Reform Committee.

No. 629. National Insurance Bill 1959. Report by Government Actuary.

No. 630. Report of the Committee on Consolidation of Highway Law.

ARTICLES

Modern Law Review
Vol. 21, No. 6, page

Protection of Minorities against
Oppression under Section 206 of
the Companies Act, 1948 .. 623

Law Journal
Vol. 108, page

Advancement 771
Finance Act, 1958, and Powers in
Settlements 788

Vol. 109, page

Options to Purchase 3

Cambridge Law Journal (1958)
page

Effect of Articles of Company as
Contract 148
Resale Price Maintenance 163
Construction of Statute 174

Law Times
Vol. 227, page

Estate Duty on Gifts—Section 38 of
Finance Act, 1957 6
Enforcing Judgments and Warrants
in Eire 19
The Costs of Leases Act, 1958 .. 20
On Paying Estate Duty 33
Settlements under the Settled Land
Act 48

Solicitors' Journal
Vol. 103, page

"Memorandum or Note" 6
Superior Landlords Vetoing Assign-
ment 12
Products Liability Insurance .. 43
Order of Administration of Assets .. 67

Law Quarterly Review
Vol. 75, page

Interpreting a Finance Act 2
Patent Rights in an Employee's
Invention 77

Financial Times
January 7

Restrictive Practices in the Melting Pot

Publications

Spicer and Pegler's Practical Auditing 12th Edition. By Walter W. Bigg, F.C.A. Pp. xxi+514. (*H.F.L. (Publishers) Ltd.*: 27s. 6d. net.)

A Guide to Auditing. By W. T. Dent, F.C.A. Pp. 144. (*Gee & Co. (Publishers) Ltd.*: 21s. net.)

SPICER AND PEGLER is a classic in the literature of the accountancy profession and the vade-mecum of student and practitioner alike. Its great quality is that it is so authoritative. The notes and recommendations issued by the Council of the Institute of Chartered Accountants in England and Wales are included in the text where applicable, many extensive extracts from judgments in legal actions concerning the liability of auditors are given and the audit and accounts provisions of the Companies Act, 1948, and other legislation affecting auditors are reproduced and explained.

A new feature of this edition is the inclusion of a chapter "The Balance Sheet Audit," explaining the skilled and streamlined technique increasingly applied in the audit of large undertakings. The method is generally limited to concerns with a large volume of transactions and an adequate system of internal check, however, and for the small and medium-sized concern the orthodox audit proceeding from the primary documents and journals through the ledgers to the trial balance and final accounts is likely to continue, with modifications if mechanised accounting is employed.

It is not within the scope of Mr. Bigg's work to consider further developments of audit practice in relation to small and medium-sized concerns with a view to streamlining procedure. In any event crystal gazing is anathema to the auditor. Nevertheless, the accountancy profession as a whole must grapple with the problem if audit manpower is to be effectively deployed and remuneratively employed in the future and if recruitment is to be maintained at an adequate level.

The chapters on the form of accounts, different classes of audits and investigations, which have been a feature of this work throughout many editions, are very valuable, especially to students whose experience in the wider issues and in the general range of auditing is necessarily limited.

Mr. Dent's slim volume follows the

usual pattern of textbooks on the general principles of auditing. The purposes and methods of auditing and the verification of assets and liabilities are explained; the author passes on to consider internal check and internal audits, audits of limited companies, audit programmes and mechanised accounting systems. In a very useful chapter on the case law of auditing the leading legal cases on auditors' negligence and divisible profits are neatly summarised. The author gives clear-cut statements of the points at issue in these cases and adds some pertinent comments of his own, particularly on the difficult question of an auditor's responsibility towards third parties. The concluding chapter deals with investigations.

Surprisingly, no specimen of an auditor's report on the accounts of a limited company under the Ninth Schedule to the Companies Act, 1948, is provided, though some other forms of statutory audit reports are given in the appendix. It is also thought that auditors' reports, which contain qualifications, on the accounts of limited companies and the circumstances which may necessitate qualified reports, merit attention in a book of this character.

The keynote of this work is simplicity of language and it will no doubt have a wide appeal amongst those engaged on audit duties (both professional and internal) who require a compact and assimilable account of the subject for general reading.

F.R.P.

The Profits Tax Simplified. By Arthur Rez, B.COM., F.A.C.C.A. (*Barkeley Book Co. Ltd., Stanmore*: 7s. 6d. net.)

IN THE 1958/59 edition Mr. Rez has endeavoured to bring up-to-date his book on the complex legislation relating to the profits tax, while leaving the basic structure as before.

Mr. Rez goes back to the inception of the tax in 1937 in anticipation of war, when it was called the National Defence Contribution, and near the end of the book devotes a passage to the transitional provisions necessary on the last change in the rate of the tax in the Finance Act, 1958. It is indicated, however, that his outline is not intended to be an exhaustive treatise. Nevertheless the book will be a valuable addition to the library of anyone who comes face to face with profits tax.

The book is well set out, giving the various aspects of the tax largely in the chronological order which one may use in drafting a profits tax computation. The businesses that are within the scope

of the profits tax and the definitions of the various terms are covered at an early stage, then the computation of assessable profits is considered and the final topics are the calculation of distributions and the tax payable. The book also contains some useful examples.

Although some features are treated only in summary form, the references in the margins to the relevant statutes enable closer research into any question to be made more easily.

Mr. Rez has given fairly comprehensive treatment to the transitional provisions on dividends in the Finance Act, 1958, but it is a pity that not more mention is made of the provision which enables grouping notices relating to companies merged under Section 22 of the Finance Act, 1937, to be revoked. The opportunity does not arise often (the last time was in 1947) and there are many practitioners who will be exercising their minds very much on this question.

The transitional provisions on distributions, however, receive from Mr. Rez some examples in an appendix to the book, forming a useful supplement to the text.

Students should find this book a help; it will give them much of the general information they require on the tax. However, they will find that examples detailed enough for their studies are not provided by Mr. Rez but must be found elsewhere.

D.C.F.

Cost Accounting and Control. By Cecil Gillespie. Pp. xv+824. (*Sir Isaac Pitman & Sons, Ltd.*: £2 15s. 0d. net.)

THESE 864 PAGES are written by an American Professor of Accounting who has evidently spent a great deal of care and work to produce them. While the work is that of a scholar, it is never academic or dogmatic. It is not primarily for students, although they can learn much from it. Because it sets out clearly the theory and practice of cost accounting for both large and small concerns it is eminently a book to which cost accountants and controllers can refer when they want to know or remind themselves of the *pros* and *cons* of a particular costing problem. At the start of each chapter the author summarises the points covered in it; at the end of each he gives a series of questions based on the subject matter. The very full table of contents and index are further aids. There are also three useful appendices, including an annotated bibliography.

Nearly half the book is devoted to the normal theory and practice of cost

accountancy in small concerns. The author describes in American terminology (clear in its meanings) the classification, elements and divisions of cost, in detail which is well illustrated with statements, schedules, charts and forms. Such illustrative material is in fact a conspicuous feature of the book.

Methods of cost control take 180 pages. Normal estimated costs and standard costs are discussed and compared. The setting up and operation of a system of standard costs is explained fully, including the use of the variances in the elements of costs. His treatment of flexible budgets and semi-variable expenses shows that the author has not confined himself to the unrealistic static state of business existing only in some textbooks.

The third part of the book is devoted to costs for use in business planning. A comprehensive set of budgets for business is given in detail and their integration with general ledger classification is worked out in a framework of standard costs. Costs for *ad hoc* purposes, special analyses, comparative costs of distribution, and cost planning and reports are all considered.

A wide sale on this side of the Atlantic is deserved by Gillespie, for setting out in great detail the best current theory of cost accounting and control. W.F.

Budgetary Control and Standard Costs. By J. A. Scott. 4th edition. Pp. x+213. (Sir Isaac Pitman & Sons Ltd.: 21s. net.) OBVIOUSLY A BOOK of this nature in its fourth edition must be serving a useful purpose. It covers accounting for management by the now familiar system of control through the preparation of budgets and the linking of actual expenditure with standard costs.

The language is straightforward and to the point, with sentences that are short and sharp. Freedom from verbosity allows the subject to be dealt with in only 213 pages, including the index. The ability of the author to condense this subject in the way he has emphasises his clear comprehensive knowledge of it.

The applications in the book are mainly to the engineering industry, but a study of the principles laid down on budget preparation and budgetary control can be of benefit in industry generally. Part III, on budget and cost reports and accounts, contains lists of types of report, with examples of the various forms, for use even without a system of standard costs. Many of these forms are the essence of workshop management.

The author has presupposed that his reader has some knowledge of cost accounts and has avoided restatement of normal costing procedure, whilst relegating to an appendix the costing methods necessary for compilation of data. Modifications in budgeting and costing techniques are dealt with in the section on advanced budgeting. The idea of a weekly profit and loss account may still seem revolutionary in some concerns but, as the author points out, weekly results provide information in time.

The main value of the book probably lies in the last chapter on "action." Here is the very practical application to all that has gone before, summed up in a few words which are worth repeating. "Figures in themselves have no meaning; it is what they represent that is significant. A perfect system is not a substitute for management. It is only a guide to management. For figures to be of use from a management point of view, it is necessary to ensure that any variation in policy . . . be translated into action." There follows an excellent analysis of the causes of variances and the action which can be taken.

There are many more voluminous books on the subject; there are not many that are better. W.F.

The Taxation of Gifts and Settlements including Pension Provisions. By G. S. A. Wheatcroft. Third Edition. Pp. 249+xxviii. (Pitman: 52s. net.)

IT SEEMS BUT yesterday that the first edition of this most valuable work appeared—an indication of the lasting impression it made upon us. But it was in 1953, and the second edition followed in 1954. Few works have received a greater welcome from lawyers and accountants.

Master Wheatcroft gives an understandable account of the law of stamp duty, estate duty, income tax and surtax as affecting gifts and settlements, stating the pitfalls and giving guidance on their avoidance. The latest edition has involved him in some rearrangement and extension of the subject matter, particularly on Section 38 of the Finance Act, 1957 (dealing with gifts *inter vivos*); Section 28 of the Finance Act, 1958 (dealing with the purchase of the reversionary interest by a life tenant, etc.); the provisions of the Finance Act, 1958, regarding income from settlements; and the extension of personal allowances to surtax. (There is a misprint in the preface and in the publishers' "blurb" on the jacket referring to Section 23 of the 1958 Act when Section 28 is meant.)

A large number of passages have been rewritten or amplified to bring them into line with modern knowledge of the subject. The author's hope that the book can be read as a coherent whole and not merely be regarded as a work of reference is amply justified; it is very useful in both capacities.

Not the least value obtained by an accountant from reading the book is that he will thereby be convinced that any advice he gives on gifts and settlements must be in conjunction with a lawyer well versed in the subject. Readers will agree with the author that the present state of the law of estate duty is a disgrace to our legal system, with more than sixty Acts of Parliament governing the present law.

Master Wheatcroft is not afraid of facing difficulties, nor of offering suggestions for meeting them. He never beats about the bush. In connection with the new law on gifts *inter vivos*, he says: "It is possible that the courts may employ Lord Simonds' words (in *Copeman v. Coleman* [1939] 2 K.B. 484) and say that this language [that of Section 38 (16) of the Finance Act, 1957] is so tortuous and obscure that it is meaningless, but this seems unlikely and it is proposed to explain the Section in the following pages on the assumption that the courts will construe it according to the general intention of its authors [he here adds a footnote: 'as expressed in *Hansard*, which a Judge may not look at'] and then to deal in detail with the large number of questions which, on any view, are left open for judicial construction." He then makes certain suggestions for the avoidance of Section 38*.

A copy of this book should be on the shelves of every accountant who ever has to give an opinion on gifts or trusts.

H.A.R.J.W.

Local Authorities' Finance Staffs. By Roy Sidebotham, B.A.(COM.), A.I.M.T.A., A.A.C.C.A. Pp. 32. (*Institute of Municipal Treasurers and Accountants*: 5s. post free). IN THIS SHORT report there is condensed a considerable amount of information and statistics on jobs and salaries, education and qualifications, age structures, length of service and mobility.

It is well known that, in common with most office professions, the finance departments of the local authorities have been experiencing much difficulty in recruiting suitable staff, and that

* A note on page 86 of this issue discusses these suggestions of Master Wheatcroft.

—Editor, ACCOUNTANCY.

there has been consequent lowering of standards, with premature promotion. The report attempts to measure the size of the field and to stimulate discussion, but it is not the intention to prescribe a policy.

From the tables of average numbers in office establishments and average numbers of staff employed per 10,000 of population served, it is evident that there are some wide variations. Some authorities of the same type, serving similar areas and with roughly equal populations, are found to have establishments very different both in size and salary structure. It is particularly noteworthy that attitudes on the place and importance of internal audit differ widely among the authorities.

More than half of the total graded staff (officers in administrative, professional and technical grades), are unqualified. Many of these officers were recruited in an age when examination qualifications were less important than they are today but are nevertheless of high ability and long experience. Their retirement in large and increasing numbers is an important cause of the shortage of qualified staff.

There is, however, a large proportion of staff both in the chief officer and administrative, professional and technical grades as a whole aged between

forty and forty-nine. The report points out that the entry of the 'twenties and early 'thirties which was largely from the grammar schools and is mainly professionally qualified, overtook the predominantly unqualified entry of earlier years and now fills most of the higher paid posts. Thus a large proportion of the senior men should remain in office for at least ten years and will thus see the worst difficulties of reorganisation overcome. But after the ten years has elapsed the loss of these men will be serious.

One of Mr. Sidebotham's tables reveals the interesting information that in the 1,258 local authorities covered, officers in the finance staffs had obtained 3,617 professional examination qualifications, and that among this number were 1,992 qualifications in the Institute of Municipal Treasurers, 527 in the Society of Incorporated Accountants (now integrated with the Institute of Chartered Accountants in England and Wales in which 48 officers had qualified), and 219 in the Association of Corporate and Certified Accountants.

Difficulties in the recruitment of higher-quality juniors are partly due to the large numbers of good boys from the grammar schools who go into the universities. More important has been the decline in attractiveness of town hall

posts compared with others during the post-war period of full employment, and the fact that schools have advised technological and scientific careers, rather than administrative ones, for their brighter boys. W.S.E.

Books Received

The Institute of Chartered Accountants in Ireland. List of Members as at August 31, 1958. Pp. 126. (*Institute of Chartered Accountants in Ireland, 7 Fitzwilliam Place, Dublin.*)

Spicer & Pegler's Income Tax and Profits Tax. Twenty-third edition by H. A. R. J. Wilson, F.C.A. Pp. xlv+728. (*H.F.L. (Publishers) Ltd.: 30s. net.*)

(The 22nd edition was reviewed in ACCOUNTANCY, April, 1957, page 183.)

General Information for Business Organisations. (The Federation of Rhodesia and Nyasaland.) Pp. 47. Loose-leaf. (*The Standard Bank of South Africa Ltd.*)

Book-keeping System for Family Farm. By Dr. Masao Otsuki. English Publication: No. 1. (*The Institute of Farm Accounting, The College of Agriculture, Kyoto University.*)

Notices

The Accountants' Christian Fellowship has arranged the following meetings:

February 27.—A Fact and Faith Film, "Of Books and Sloths," followed by the annual general meeting. Incorporated Accountants' Hall, Temple Place, Victoria Embankment, London, W.C.2, at 6 p.m.

March 2. Meeting for Bible reading and prayer (The scripture will be John 17, verses 12-26—the Lord Jesus' prayer for help to his disciples.) Vestry at St. Mary Woolnoth Church, King William Street, E.C.3, at 6 p.m.

March 19. "The Challenge of 1959," by Sir John Laing, C.B.E. (President, John Laing & Sons Ltd.) Incorporated Accountants' Hall, W.C.2, at 6 p.m.

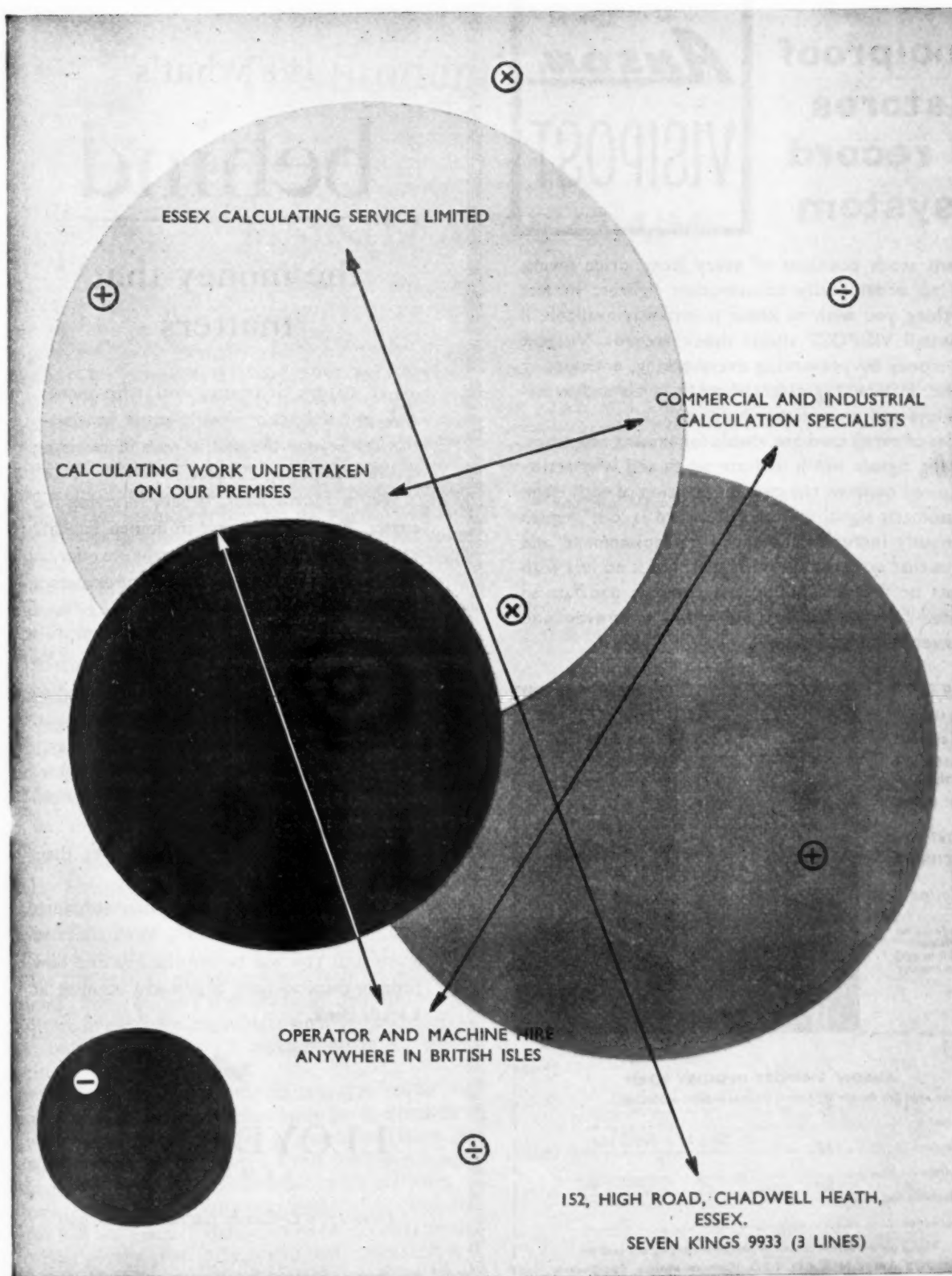
The Junior Chamber of Commerce for London, working under the auspices of the London Chamber of Commerce, provides opportunity for young business executives and members of the professions to take an active interest in commerce, industry and

civic and world affairs. Each member joins one or more specialised groups, and reports and recommendations are passed to the senior Chamber and, if approved, to the appropriate authority. The Junior Chamber holds courses in public speaking and management, debates, lectures and visits and social activities. A monthly journal is circulated to members. New members must be over 21 and not over 38. The annual subscription is £3 3s., and the office is at 69 Cannon Street, London, E.C.4.

The Midland Management Conference of the British Institute of Management will be held in Royal Leamington Spa on February 26 and 27. The general theme will be *Management in a Competitive World*. A plenary session on the Friday morning will consider a paper by Mr. J. H. Lord, C.A. (a director of Dunlop Rubber Co. Ltd.) on "Making the Best Use of Capital." Papers given at the sectional meetings will include "Management Internal Control Information" by Mr. F. B. Anscombe, M.B.I.M. (director of Joseph Lucas (Electrical) Ltd. and Vice-Chairman of the B.I.M. Midland Regional Council) and "Interfirm Comparison for Management" by Mr. H. Ingham (Head of the Information Department of the British Institute of Management).

The Commercial Trainee Exchange Scheme enables foreign students of economics and business administration to work in Britain, and British students to work abroad, during the summer vacation. It is organised by the International Economics Students Association (*l'Association Internationale des Etudiants en Sciences Economiques et Commerciales*), with the co-operation of about 2,000 employers all over the world who provide work in their accounting or financial departments for a trainee from abroad, and pay him or her an average of about £8 a week. Arrangements for lodgings, labour permits and other matters are made by A.I.S.E.C. Readers who can help in providing openings in industry are asked to write to the A.I.S.E.C. Committee, London School of Economics, Houghton Street, London, W.C.2.

The International Fiscal Association, Amsterdam, is offering the Mitchell B. Carroll Prize for the best monograph of up to 5,000 words on "The Taxation of Non-Resident Individuals." The closing date is July 31, 1959. The prize is a specially designed medal. Further particulars may be obtained from the Secretary of the United Kingdom Branch of the Association, at 122 Leadenhall Street, London, E.C.3.



IN AN ANSON OFFICE

foolproof stores record system

ANSON VISIPOST

Current stock positions of every item, price levels, when to order, daily consumption figures; in fact everything you wish to know is instantly available if you install VISIPOST visible index records. Visipost saves money by preventing overstocking, anticipating demand, maintaining essential stock levels and avoiding delays and unnecessary hold-ups.

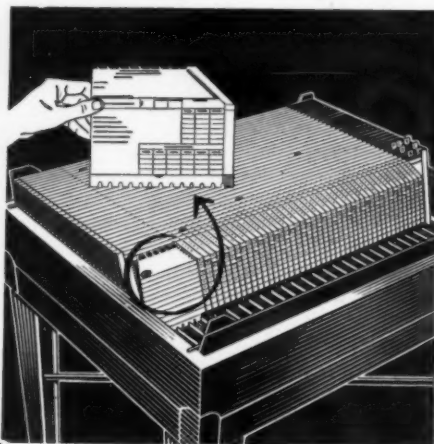
Titles of every card are visible for instant reference, including signals which indicate when and why action is required or show the current position of each item. An automatic signal indicates if a card is 'out', which enormously increases the speed of replacement, and ensures that no cards are mislaid. There is no fuss with pockets or drawers. Visipost is compact and fast to operate. New cards can be added wherever and whenever required easily.

All at a glance

Visible titles
Action signals
Automatic out
signals
Current position

WITHOUT EVEN
EXTRACTING A
CARD!

Get the facts on
Anson Visipost.
Please fill in and
post this inquiry
form



1959

'ANSON' VISIPOST INQUIRY FORM

Please send full details of 'Anson' Visipost without obligation.

Name.....

Company.....

Address.....

Telephone No.....

Application.....

Please pin completed coupon to your letterheading and post to

GEORGE ANSON & CO. LTD., Solway House, Southwark
Street, London, S.E.1

Tel.: WATerloo 2711 (10 lines)

A

It's what's behind

the money that matters

ALL BANKS, of course, deal with money. But they also provide many *services* — services beyond the routine ones of receiving credits and paying cheques.

We, in Lloyds Bank, believe in giving *full service*. We do not believe in limited banking in any shape or form. That is why we offer, at all branches of Lloyds Bank to all customers, a complete and comprehensive service at a modest and competitive cost.

Furthermore we lend money for business or personal needs at rates of interest linked to Bank Rate and charged on a day-to-day basis: there is no cheaper way of borrowing money.

We believe that our experience and knowledge, accumulated over a period of nearly 300 years, should be freely available to all customers — irrespective of the size of their accounts.

Consult the Manager of your nearest branch of Lloyds Bank — he is ready at all times to serve you. You will be surprised to find how little it costs to have a personal account at Lloyds Bank.



LLOYDS BANK LIMITED

Over 1770 Offices in England and Wales

The Student's Columns

MAINTENANCE CLAIMS

SECTION 101 of the Income Tax Act, 1952, provides that if the owner of any land or of any houses shows that the cost to him of maintenance, repairs, insurance and management, according to the average of the preceding five years, has exceeded, in the case of land one-eighth of the gross annual value (G.A.V.) and in the case of houses the appropriate statutory repairs allowance (S.R.A.), the excess may be deducted from the net annual value (N.A.V.). Any excess over the net annual value is not allowable except with agricultural property.

What is the position of a purchaser of a property who has not owned the property for the preceding five years, or a seller in the year of sale?

The Purchaser

Two courses are open to the purchaser. Either he can make his claim in the year of purchase on the basis of the expenditure of the vendor in the preceding five years or, where he is unable to obtain particulars of the previous owner's expenditure, he can by concession claim relief on the basis of the actual expenditure in the year of assessment. Most modern contracts relating to the purchase and sale of property include a condition that the vendor shall on request supply details of his maintenance expenditure. Often, unfortunately, no details will have been kept by the vendor, so that the purchaser will have no claim for the year of assessment in which he purchases the house. For the next five years of assessment, the expenditure in the years preceding ownership is treated as *nil* and only the purchaser's expenditure in the years, preceding the claim is included.

If the actual basis is claimed, the taxpayer has to give an undertaking to remain on that basis for five complete years of assessment from the date of purchase. Unless the property was purchased on April 6 this condition means that the actual basis must be adhered to for six years of assessment. If the expenditure is exceptionally heavy, the Revenue will not agree to the actual basis. If the expenditure in the opening years is high and that in the next few years is considerably reduced, it pays the taxpayer to go on the preceding five years basis, so that the refusal should not cause a heavy burden to fall on the taxpayer.

Illustration

A. Mill purchased a house for his own occupation on November 6, 1952 (G.A.V. £124, S.R.A. £24, N.A.V. £100). The previous owner's expenditure could not be ascertained. Up to April 5, 1958, A. Mill expended on maintenance, repairs, insurance and management the following sums:

	£
Period from November 6, 1952, to April 5, 1953 ..	428
Year to April 5, 1954	198
1955	54
1956	62
1957	80
1958	48

If a claim is made and allowed on an actual basis the relief for 1952/53 to 1957/58 will be:

Expendi- ture	S.R.A.	Expenditure less S.R.A.	Relief	£
1952/53	428	10*	418	Restricted to 43*
1953/54	198	24	174	100
1954/55	54	24	30	30
1955/56	62	24	38	38
1956/57	80	24	56	56
1957/58	48	24	24	24
Total relief on				291

If claim is on preceding year basis, there will be no relief for 1952/53. For later years the relief (to the nearest £) is:

	Average Expenditure	S.R.A.	Expenditure less S.R.A.	Relief
	£	£	£	£
1953/54	$\frac{428}{5}$	=86	24	62 On 62
1954/55	$\frac{428+198}{5}$	=125	24	101 .. 100
1955/56	$\frac{428+198+54}{5}$	=136	24	112 .. 100
1956/57	$\frac{428+198+54+62}{5}$	=148	24	124 100
1957/58	$\frac{428+198+54+62+80}{5}$	=164	24	140 .. 100
Total relief on				462

Full consideration would have to be given to A. Mill's other

*5/12 of £24 and 5/12 of £100 as property owned only 5 months.

income, as the rate of income and surtax paid by him may make it desirable to claim the maximum relief in 1952/53 and 1953/54. The tax saved in those years may be more than the additional tax paid in later years.

The Vendor

Where the vendor had been claiming relief for all years before the year of assessment in which the sale occurs, he would get relief on the basis of the average expenditure in the previous five years less the statutory repairs allowance (or on the actual basis if the property had only been held five or six years—see the paragraph preceding the

illustration). In the year of sale, relief is given to the vendor on a proportion of the excess of the average expenditure for the preceding five years over the statutory repairs allowance, the proportion being that which the period of ownership bears to a full year. For non-agricultural property the relief is limited to the same proportion of the net annual value of the property.

In such a case, the purchaser would get the proportionate relief from the date of purchase, provided the vendor supplied the details or gave a direct authority to the Inspector of Taxes to disclose them.

AUDITING IN PRACTICE—II*

Test Checking

The auditor can often safely apply the technique of test checking for his examination of the bulk of the detailed transactions passing through the books during the year. The authority is to be found in the judgment of Lord Lindley in the *London and General Bank* case in 1895, when he said "in practice I believe businessmen select a few cases haphazard and see that they are right and assume that others like them are correct also."

It is important that the work chosen as a test should be done very thoroughly and that the examination should cover not only the financial records but all other records, such as those of stock, which relate to the transactions reviewed. It is, moreover, essential that the tests should not become stereotyped; the transactions examined and the periods chosen in the year should be varied. In this connection, a few notes on practical points may be helpful.

(1) The system of passing bought invoices for payment should be critically examined. There should always be a proper system to record the receipt of goods; it may consist of copies of numbered goods-received notes or a simple record in book form and in order of date giving a description of the goods received. There should be a cross-reference from the goods-received record to the invoice. It is then possible to verify at the close of the financial period that there are invoices for all goods received and that invoices are not included in purchases for goods not received at the close of the period and included in stock.

(2) It is nowadays common practice to dispense with the bought ledger and to derive the total of purchases

from the total of payments for goods, adjusted for the totals of creditors at the beginning and end of the period.

This system makes it less easy to detect that an invoice has been paid twice in error and underlines the need to avoid such errors by clearly marking all bought invoices with the reference to the record of goods received.

Should an invoice, nevertheless, have been paid twice and the error not detected, the refund from the supplier may be misappropriated.

(3) Many systems involve the use of numbered forms. A close examination must be made of the system of ordering stationery, its custody and issue, and also of the records of numbers.

(4) Such forms are frequently used for sales invoices. A strict examination covering a short period should be made and it should be seen that all numbers are accounted for; the possibility of goods being delivered by the business without a proper charge being made to the customer should always be borne in mind.

The detailed instructions on the use of each copy of the sales invoice should be studied and followed through all departments in, at any rate, a number of instances chosen at random.

In the absence of detailed stock records, possible differences between the date of the invoice and the date of despatch should be watched. This is, of course, of importance at stock-taking time. Even if complete stock records are not considered worth the expense involved, it is often possible to persuade managements to set up records relating to the more expensive items.

In parentheses, it may be said that this matter of stock records presents the most striking conflict between theory and practice in modern accountancy. Most writers on management accounting readily assume the existence

* The first part of this article appeared in our January issue, pages 40-41.

**'Accountant required by manufacturing company; must have a
thorough knowledge of modern Costing and Budgetary Control . . .'**

ADVERTISEMENTS similar to the above are appearing regularly. Could you confidently apply or, though qualified or experienced in Professional Accountancy, would you feel handicapped by lack of specialized qualification in Costing? You can greatly extend your range of opportunity by qualifying through the Examinations of The Institute of Cost and Works Accountants.

The School of Accountancy is the leading Tutorial Institution for the I.C.W.A. Examinations. More than 7,500 complete passes in Intermediate or Final Examinations. Full details of Examinations and concessions granted to men with Professional Accountancy qualifications are given in the School's Prospectus, obtainable post free on request.

48 years of Successful Educational Service

The School of Accountancy

178 Regent House, 6 Norfolk Street
LONDON, WC2
and at Glasgow

POST THIS COUPON TODAY

Please send me a copy of your Prospectus relating to the I.C.W.A. Examinations.

NAME

ADDRESS

If you are interested in other examinations, or non-examination tuition, please add details. 178

For LIFE ASSURANCE — A WISE INVESTMENT which can help you to:

- Protect your wife and family.
- Provide higher education for your children.
- Make provision for your retirement.

Particulars on request

Head Offices:

1 North John St., | 24/28 Lombard St.,
LIVERPOOL, 2 | LONDON, E.C.3



The Head Office of the Bank



WILLIAMS DEACON'S BANK LIMITED

Founded 1771

Head Office: Mosley Street · Manchester

City Office: 20 Birchin Lane · E.C.3

Every description of Banking business
transacted

The Bank acts as Executor and Trustee

Associated Banks

THE ROYAL BANK OF SCOTLAND; GLYN, MILLS & CO

SETON TRUST LIMITED

The services of the Trust are at the disposal of professional advisers in connection with the public financing or flotation of established undertakings.

3 Throgmorton Avenue, London, E.C.2

TELEPHONE: London Wall 6871-4

TELEGRAMS: Setru Stock London

The Chartered Accountants' Benevolent Association

The principal object of the Association is the relief of necessitous persons who are or have been members of the Institute of Chartered Accountants in England and Wales, of their necessitous wives and children and of the necessitous widows and children of deceased members.

All members of the Institute are invited to support the Association by the payment of an annual subscription or by donation. Some members may also find it possible to mention the Association in their wills.

The Association is able from time to time to assist in finding accommodation in homes for aged members and their wives and for the aged widows of members in cases where a measure of care and attention is required which cannot be obtained by paying for it at normal commercial rates.

Enquiries should be sent to the Honorary Secretary at Moorgate Place, London, E.C.2.

of records which enable interim accounts to be taken out from time to time with a substantial degree of accuracy. In practice, one finds that the existence of such records is rarer than the literature would suggest. This can be said, however, that whenever it has been possible to persuade a client to set up such stock records, he usually comes to regard them as of equal value to his financial records and would not willingly discontinue. But the work of beginning the system and of finding the suitable staff is by no means easy.

(5) In addition to the normal arithmetical test checks of the wages book, it is worth while to test the time records. Usually, the system of internal check will prevent fraud, but, owing to errors or slackness, payment may have been made for more time than has been worked.

It is imperative that proper authorisation should be given for all changes in rates of pay and the terms of engagement of new staff.

From staff leaving, it is wise to obtain receipts for National Insurance cards and refund of money in hand for holidays with pay.

(6) If a transfer journal is kept it should be at least scrutinised completely, for it is here that there may be found adjustments to cover irregularities.

(7) Whether or not an auditor should make use of a written programme used to be regarded as a matter of opinion, but there can nowadays be no argument that an auditor must keep a record of the work which he has done and also use a programme as a guide and design for the work to be done. Particularly when reliance is being placed on test checking, it is essential to have a complete record of the examination made, the points arising and the manner of the disposal of queries.

Verification of Assets

The same liberty of selection in test checking does not apply to the verification of assets, although in most instances it must apply to stock-in-trade, having regard to the large number of items concerned. There are other circumstances in which a test check is necessary and sufficient—for example, in the counting of cash in a bank audit. It may even be necessary to test-check debtor balances but, it is suggested, only in very large businesses, and whenever possible the auditor should examine all ledger accounts at the end of a financial period.

The procedure on the verification of assets is well covered in the text books and no doubt in many students' own experience and reference need here be made to only two matters:

(a) In order to be effective, cash counting must be done after the close of business. All cash floats in the building must be produced at the same time and a test examination made of the receipts and payments for that day. If cash has been lodged in the bank on the day, a note must be taken and the credit checked in due course in the statement sheet. The system in force for purchases of stamps for National Insurance and, in some industries, holidays with pay must be examined and the cards scrutinised.

Even if the cash is examined on the last day of the finan-

cial year, a surprise check at another date is desirable: this simple and time-honoured check often brings unexpected results.

(b) The other asset to which reference should be made is stock-in-trade. The inventories presented to the auditor of these assets represent an all-important link between the financial and the physical records (if any) of the business and it is here that important errors may be found.

There may perhaps be no stock records at all and the auditor must rely on the stock sheets themselves. If possible, shortly before the year-end, he should discuss the methods of stocktaking to be employed and should examine the detailed arrangements being made. His interest at that stage will often cause more attention to be paid to the question than would otherwise be the case. A visit while stocktaking is in progress is often worth while.

When the arrangements for counting, recording and checking are methodically designed and carried out in a disciplined manner, the auditor should examine the rough records, or a proportion of them, and confirm that they are correctly transferred to the final sheets.

He should also be at pains to check from the goods received records that all purchases invoices relating to goods taken into stock have been properly recorded and that the record of sales is also correct in relation to the stocktaking.

All this sounds elementary—but is by no means always easy to carry out. On the other hand, it is a very frequent source of error.

The problem will be more complicated if there are branch establishments. The dating of transfers out and the corresponding transfers in as between head office and the branches must be carefully watched.

If there are stock records, either full or incomplete, the auditor should make the fullest use of them, particularly in verifying that there has been a correct treatment of movements at the close of the period.

If there is a comprehensive and efficient system of stock records, it may be the practice to take stock of individual items at intervals throughout the year and to rely upon the stock records at the close of the period without a comprehensive stocktaking. In such circumstances, the auditor should apply test checks to all procedures.

Valuation of Stock

The difficulties that may underlie the rule, that the basis of valuation of stock is cost or market value whichever is the lower, will no doubt be readily appreciated.

For raw materials, cost may be checked from purchase invoices and from accounts for carriage and other charges.

For manufactured goods, should an addition be made for overhead charges? There seems no doubt that an addition should always be made for charges which vary directly with production but the argument for making it for fixed charges—expenses incurred on a basis of time rather than of activity—is less certain. One view is that such expenses as factory rent have to be paid every week and that the amount of manufactured stock at the end of the year should have no bearing on the part of such

expenses written-off in the accounts. This view appeals to many accountants, but there is an equally respectable opinion that an addition should be made for overheads, both fixed and variable.

If the addition is made, the basis should be carefully examined. It would seem that the calculation of the amount to be added should be based on a normal level of output for the factory; otherwise in slack periods, when

overheads had to spread over a smaller number of units of output, stock would be valued at a higher level than in busy periods.

Throughout one's consideration of the basis of valuation of stock, the aim should be to achieve a consistency of principle year by year.

(Concluded)

ON WITNESSING A WILL

A WILL IS the written document by which an individual (the testator) signifies his intentions about the devolution of his property on his death. While no particular form of document or words is necessary, there are certain conditions which must be satisfied if a document is to be admitted as a valid will, namely:

- (1) It must be signed by the testator or for him by someone else by his direction and in his presence.
- (2) The signature must be made or acknowledged in the presence of two (or more) witnesses, present at the same time.
- (3) Thereafter, the witnesses must sign as such in the presence of the testator.
- (4) The signature must be so placed as to be regarded as at the end of the will so that it is apparent that it is intended to give effect to the whole document.

A person who is asked to witness a will should be aware that he is thereby ensuring that he cannot become a beneficiary under it, since an attesting witness cannot benefit under a will. Nor can his wife (or her husband): the will is good but the witness and his or her spouse lose all interest. There is only one exception to this rule—for a will which does not legally require attestation, as a will made by a member of H.M. Forces on active service, by seamen at sea and by similar persons.

It is to be noted that if a person attests a codicil under which he does not benefit, a bequest to him under the original will is not vitiated, provided he did not attest that as well.

An accountant or solicitor who is asked to act as a witness to a will should know that he is thereby ensuring that he cannot be paid for any services he may render to the estate of the testator when the latter dies. This has recently been decided in the case of *In re Boyce's Will Trusts* ([1958] 3 All E.R. 586) in which a testator directed in his will that five per cent. of the income of the residue of his estate was to be divided equally among his trustees so long as they were administering the income of the trust fund constituted by the will, and authorised any solicitor who was a trustee to be paid out of the estate.

On the death of one of the executors, a solicitor was appointed a trustee in his place. Unfortunately for the solicitor, he had been one of the witnesses to the will and it was held that he was thereby debarred from being paid any fees out of the estate. The same result would obviously follow if any partner in the firm in which the attesting witness was a partner was appointed as a trustee, as the witness would share in fees.

It is, however, noteworthy that:

(a) A person who marries an attesting witness after the date of witnessing is not debarred from benefit (*Thorpe v. Bestwick*, 1881, 6 Q.B.D. 311). It seems, therefore, that an attesting witness who knows what is in the will can safely pay court to a beneficiary!

(b) A bequest to the holder of an office and not to a named individual is not affected. In the case of *In re Ray's Will Trusts* [1936] Ch. 520, a nun in a convent by her will gave her property to the person who at the time of her death should be (or act as) abbess of the convent. The witnesses were two nuns, one of whom by the time of the death had been appointed abbess. It was held that the gift was not to the abbess personally but one in trust for the convent as a community.

(c) A gift, not under the will, but under a secret trust is not affected. In the case of *In re Young (deceased)* [1951] Ch. 344, a will, witnessed by a chauffeur, left all the property to the widow. She and a solicitor were the executors. It was held that wishes which the deceased had discussed with his wife constituted valid trusts and that although the chauffeur was an attesting witness, he was not debarred from getting a legacy of £2,000 under those trusts.

An individual who makes a will should, therefore, make sure that the witnesses are far removed from any possible benefit under the will itself. It is wise, too, not to have as witness a person who may become entitled under a secret trust, because in the *Young* decision the Judge had differed from that in the earlier case of *In re Fleetwood*, 1880, 15 Ch. D. 594, in which it was held that where an intended beneficiary under a secret trust was an attesting witness she could not benefit.

The Institute of Chartered Accountants

in England and Wales

Meetings of the Council

AT SPECIAL AND ordinary meetings of the Council held on Wednesday, February 4, 1959, at the Hall of the Institute, Moorgate Place, London, E.C.2, there were present: Mr. W. L. Barrows, President, in the chair; Mr. T. A. Hamilton Baynes; Mr. J. H. Bell; Mr. H. A. Benson, C.B.E.; Mr. P. F. Carpenter; Sir William Carrington; Mr. G. T. E. Chamberlain; Mr. D. A. Clarke; Mr. C. Croxton-Smith; Mr. W. G. Densem; Mr. S. Dixon; Mr. W. W. Fea; Mr. J. Godfrey; Mr. G. G. G. Goult; Mr. P. F. Granger; Mr. L. C. Hawkins; Mr. J. S. Heaton; Mr. D. V. House; Sir Harold Howitt, G.B.E., D.S.O., M.C.; Mr. P. D. Irons; Mr. J. A. Jackson; Mr. W. H. Lawson, C.B.E.; Mr. H. L. Layton; Mr. R. B. Leech, M.B.E.; Mr. R. McNeil; Mr. R. P. Matthews; Mr. Bertram Nelson, C.B.E.; Mr. W. E. Parker, C.B.E.; Mr. S. J. Pears; Mr. F. E. Price; Mr. P. V. Roberts; Mr. L. W. Robson; Sir Thomas Robson, M.B.E.; Mr. G. F. Saunders; Mr. K. G. Shuttleworth; Mr. C. M. Strachan, O.B.E.; Mr. J. E. Talbot; Mr. E. D. Taylor; Mr. A. D. Walker; Mr. V. Walton; Mr. M. Wheatley Jones; Mr. E. F. G. Whinney; Mr. J. C. Montgomery Williams; Mr. R. P. Winter, C.B.E., M.C.; Sir Richard Yeabsley, C.B.E.; with the Assistant Secretaries.

Election to the Council

Mr Arthur Halsall Walton, F.C.A., Manchester, was elected a member of the Council to fill the vacancy caused by the resignation of Mr. J. Blakey, F.C.A.

Members' Working Papers in Back Duty Cases.

1. The long-established procedure in all taxation matters is for a member to furnish full replies to all proper questions asked by the Inland Revenue in order to determine the facts. In some circumstances, however, the Inland Revenue has requested that access be given to working papers of the accountant and the Council considers that, in relation to reports submitted to the Inland Revenue following investigations made by accountants in back duty cases, it may be helpful to amplify the advice given to members in paragraph 33 of the statement on *Unlawful Acts or Defaults by Clients of Members*, issued in August, 1957.

2. In the statement of August, 1957,

under the heading "Statutory provisions relating to disclosure of information," the Council dealt with Sections 31, 54 and 59 of the Income Tax Act, 1952, and then stated in paragraph 33 that a member's working papers are his own property and not that of his client and accordingly the working papers do not fall within any of the powers given to the various commissioners under the Sections just mentioned; a request by an Inspector or by the Enquiry Branch for production of working papers would therefore not normally be acceded to. The Council added however that if there are special circumstances in which a member considers that he should accede to such a request, then he must bear in mind that in negotiations with the Inland Revenue he is acting as agent for his client and accordingly he should explain the position to the client and obtain his consent before acceding to the request.

3. The Council understands from discussion with the Inland Revenue that "working papers" in back duty cases are regarded by the Inland Revenue as including:

- (i) Analyses of banking accounts
- (ii) Schedules supporting the statements submitted with the report
- (iii) Correspondence such as with bankers and stockbrokers
- (iv) Correspondence with the client and with solicitors
- (v) Notes of questions and answers between the client and the accountant.

4. The Council wishes to emphasise that it is entirely for the member to decide whether to make his working papers available to the Inland Revenue. He should not do so without the consent of his client, but the client is not in a position to instruct him to do so. Even if the client's consent is obtained, it would not place the member under any obligation to the Inland Revenue, as it could in no way affect his right to maintain the privacy of his own property. Subject to those fundamental considerations, the opinion of the Council on the items listed in the preceding paragraph is as follows:

- (a) with regard to the analyses, schedules and correspondence referred to in (i), (ii) and (iii) the Council would see no objection to the production of relevant working papers to the Inland

Revenue in appropriate cases if they are likely to be significant as factual evidence supporting the accountant's report and the statements submitted therewith;

- (b) the correspondence and notes referred to in (iv) and (v) may well be of a highly confidential nature. They should not be produced to the Inland Revenue unless the accountant considers there are exceptional circumstances, in which event he should obtain his client's authority covering the specific documents which it is desired to produce; before doing so the accountant should advise his client to seek legal advice if there is any doubt as to the wisdom of giving such authority.

5. Nothing in this statement should be regarded as implying that a member should assist his client to deceive the Inland Revenue or to withhold information concerning transactions about which there is doubt as to their nature or their effect on the back duty computation. Such transactions should be the subject of special comment in the member's report on the investigation and he should be prepared to discuss them with the Inland Revenue and, if necessary, amplify the details.

Appointment to Committee

Mr. G. F. Saunders was appointed to serve on the General Purposes Committee.

Examination Results—November, 1958

The Examination Committee reported the results of the examinations held in November, 1958, as follows:

	Passed	Failed	Total
Preliminary ..	68	119	187
Intermediate ..	701	807	1,508
Final ..	578	577	1,155
	1,347	1,503	2,850

(The names of the recipients of prizes and certificates of merit, as recorded in the Council report, are shown on pages 113-19 of this issue.)

Also reported were the results of the examinations conducted by the Institute as examinations of the Society of Incorporated Accountants.

	Passed	Failed	Total	Completed Final
Intermediate	158	185	343	-
Final				
Parts I and II together	4	13	17*	4
Part I only	99	117	216	6
Part II only	137	151	288	137
South African Special Final ..	13	6	19	13
	<u>253</u>	<u>287</u>	<u>540</u>	<u>160</u>

* In addition 9 candidates who sat for both parts passed in Part I only.

(Honours certificates were awarded to one Final and six Intermediate candidates in the examinations of the Society. Their names are shown in the lists on pages 119-20 of this issue.)

Exemption from the Preliminary Examination

Two applications under bye-law 79 for exemption from the Preliminary Examination were acceded to.

Exemption from the Intermediate Examination

(a) Twenty-three applications under bye-law 85 (a) for exemption from the Intermediate Examination were acceded to.

(b) One application under bye-law 85 (b) for exemption from the Intermediate Examination was acceded to. One application was refused.

Reduction in Period of Service under Articles

Three applications under bye-law 61 for a reduction in the period of service under articles were acceded to.

Registration of Articles

The Secretary reported the registration of 200 articles of clerkship during the last month.

Admissions to Membership

The following were admitted to membership of the Institute:

§GHOSH-DASTIDAR, JYOTI BHUSHAN; A.S.A.A., 1959; with Mitchell Melbourne & Co., Leysian Buildings, 112/114 City Road, London, E.C.1.
HARRIS, JOHN DAYMENT; A.C.A., 1959; 1391 Lincoln Road, Werrington, Peterborough.
PASHA, MOHAMMED YUSUF; A.C.A., 1959; with A. F. Ferguson & Co., Writer's Chambers, Dunolly Road (P.O. Box 4716), Karachi 2.
§PRICE, PHILIP JOHN; A.S.A.A., 1959; 10, Southside, Weston-Super-Mare, Somerset.
WITHINGTON, HAROLD; A.C.A., 1959; Fallbarrow Hall, Bowness-on-Windermere, Westmorland.
§ZYLSTRA, BRIAN ANTON; A.S.A.A., 1959; with Peat, Marwick, Mitchell & Co., P.O. Box 7400, Johannesburg, South Africa.

Elections to Fellowship

The following were elected to fellowship:

BARNETT, HORACE; A.C.A., 1931; (Barnett & Turner), 68 West Gate, Mansfield, Notts.
BARRAGAN, FRANCIS ANTHONY; A.C.A., 1953; (McGillivray, Lowe & Co.), 130 Mount Street, Berkeley Square, London, W.1.
BARRETT, JOSHUA, B.A.; A.C.A., 1938; 5/6 Vince's Chambers, Victoria Square, Leeds, 1.

BLISSETT, ARTHUR FRANK GRAHAM; A.C.A., 1950; (Winkley & Clarke), Russell Chambers, 2 King Street, Nottingham.
BROTHERTON, DONALD CLENNELL, B.A.; A.C.A., 1950; (Grundy, Middleton & Co.), Fountain House, 81 Fountain Street, Manchester, 2.
BROWN, JOHN CEDRIC, V.R.D.; A.C.A., 1939; (John Adamson, Son & Co.), 1 Chancery Place, Booth Street, Manchester, 2.
BROWNING, DAVID; A.C.A., 1950; (Herbert Pepper & Rudland), 33 St. James's Street, London, S.W.1.
BUTTERFIELD, JOHN ANTHONY; A.C.A., 1951; (Russell & Bishop) and (R. R. Preston & Son), 9 New Street, Leicester.
CARR, MICHAEL DEREK; A.C.A., 1951; (Sturges, Fraser, Cave & Co.), 1 Guildhall Chambers, 31-34 Basinghall Street, London, E.C.2, and at Godalming and Kingston upon Thames.
DALY, JUSTIN LOUIS ENGLAND; A.C.A., 1951; (P. D. Leake & Co.), 84 Queen Victoria Street, London, E.C.4.
DAWSON, WILLIAM RAYMOND; A.C.A., 1951; (Milburn & Dawson), Lloyds Bank Chambers, King Street, Penrith, Cumberland.
DICKINSON, JOHN CASSON; A.C.A., 1935; (*Price Waterhouse & Co.), Kungsgatan 28, Stockholm C, Sweden; (for other towns see *Price Waterhouse & Co. (European firms)).
ELLIS, DAN; A.C.A., 1948; (Chamberlain & Merchant), Old Custom House, Portmadoc, Caerns.
FRANKLIN, HERBERT KITCHENER; A.C.A., 1947; (†Peat, Marwick, Mitchell & Co.), Union Building, P.O. Box 448, Singapore, and at Ipoh, Kuala Lumpur and Penang.
FRENCH, DAVID OWEN; A.C.A., 1958; (S. 1950); 136 Tollington Park, Stroud Green, London, N.4.
GIBSON, ROBERT HEWARD; A.C.A., 1953; (James Gibson & Sons), Union Bank Chambers, Royal Street, Barnsley.
GILLMAN, ARTHUR NEVILLE, M.C.; A.C.A., 1948; (Painter, Mayne & Walker), 103, Cannon Street, London, E.C.4.
GREEN, ARTHUR; A.C.A., 1950; (Bryce Hanmer & Co.), 1-3 Stanley Street, Liverpool, 1.
HALPERN, SIDNEY GERALD; A.C.A., 1951; (Cecil Halpern & Co.), 18 Charing Cross Road, London, W.C.2.
HANN, HARRY EDWIN; A.C.A., 1952; (Baker, Sutton & Co.), Eldon Street House, Eldon Street, London, E.C.2.
HEWITT, JOHN HERBERT; A.C.A., 1951; (Mellors, Basden & Mellors), 1 King John's Chambers, P.O. Box No. 39, Bridlesmith Gate, Nottingham, and at Manchester.
JACKMAN, GORDON SAMUEL; A.C.A., 1933; (Grundy, Middleton & Co.), Fountain House, 81 Fountain Street, Manchester, 2.
JAMES, ANTHONY PEREGRINE LEWIS; A.C.A., 1949; (Jones, Robathan, Thompson & Co.), 29 High Street, Chepstow, Mon.; (for other towns see Jones, Robathan, Thompson & Co.).
KERSHAW, FRANK; A.C.A., 1938; (Grundy, Anderson & Kershaw), 62 Union Street West, Oldham.
KNIGHT, JOHN OLIVER; A.C.A., 1951; (Stanley Blythen & Co.), 12 Low Pavement, Nottingham, and at Long Eaton.
LIMB, GEORGE STANLEY; A.C.A., 1931; (Barnett & Turner), 68 West Gate, Mansfield.
LINCÉ, DENIS LIÈGE; A.C.A., 1936; (*Lincé, Ravilious & Co.), St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands.
LONGLAND, JOHN JAMES; A.C.A., 1948; (Edmonds & Co.), Pearl Buildings, Commercial

Road, Portsmouth; (for other towns see Edmonds & Co.).

LYNN, PETER, B.COM.; A.C.A., 1951; (*Mark Banus & Co.), 4 Broad Street Place, London, E.C.2.
MORRIS, ISAAC MORRIS; A.C.A., 1936; (I. M. Morris & Co.), 55 Cross Street, Manchester, 2.
PILLING, KENNETH; A.C.A., 1935; (Harper, Pilling & Co.), 25 Acresfield, Bolton.
ROBERTS, ROBERT LUNT; A.C.A., 1951; 309 High Street, Bangor, and at Llangefni.
SERGEANT, HERBERT GEORGE; A.C.A., 1943; (Carlill, Burkinshaw & Ferguson), 2 Parliament Street, Hull.
SPEIGHT, CHARLES EDMUND; A.C.A., 1951; (Boyer, Thwaites & Co.) and (Edward Bedell, James & Co.), 17 Brazennose Street, Manchester, 2.

Incorporated Accountant Members Becoming Associates

The Council acceded to applications from the following incorporated accountant members for election as associates under clause 6 of the scheme of integration referred to in clause 34 of the Supplemental Royal Charter:

FIELD, ROBERT BADEN; (1958); A.S.A.A., 1954; with Whinney, Smith & Whinney, 4b Frederick's Place, Old Jewry, London, E.C.2.
KERMODE, EDMUND RONALD; (1958); A.S.A.A., 1955; 64 Woodsorrel Road, Liverpool, 15.

Use of letters F.S.A.A.

Applications from the following incorporated accountant members A.S.A.A. to use the letters F.S.A.A. under clause 4 (b) of the scheme of integration referred to in clause 34 of the Supplemental Royal Charter were acceded to:

BENTON, RICHARD FREDERICK; (1958); A.S.A.A., 1921; Borough Treasurer, Southwark Borough Council, Town Hall, Walworth Road, Southwark, London, S.E.17.
THOMPSON, WILLIAM ROLAND; (1958); A.S.A.A., 1916; (*W. E. & H. R. Thompson), 40 Queen Street, Melbourne, Victoria, Australia.

Members Commencing to Practise

The Council received notice that the following members had commenced to practise:

AMBLER, ROY; A.C.A., 1936; (A. A. Johnstone), Post Office Chambers, Station Road, Ellesmere Port, Cheshire.
ARNOLD, GERALD FREDERICK; A.C.A., 1958; (*Simkin, Arnold & Strange), Kingsway Chambers, 4 New Walk, Leicester.
BABAPULLE, EMMANUEL MALACHY CHRISTALYN, B.Sc.; A.C.A., 1933; (*A. F. Chapman & Co.), "Bishops Corner," Lyttelton Road, Finchley, London, N.2, and 325 Chase Road, Southgate, London, N.14.
BANKS, WILLIAM HOWARD; A.C.A., 1958; (S. 1926); 3 High Street, Mold, Flintshire.
BARTLETT, RONALD WILLIAM; A.C.A., 1953; (McGillivray, Lowe & Co.), 130 Mount Street, Berkeley Square, London, W.1.
BARTON, MICHAEL HUGH; A.C.A., 1956; (Jackson, Morton & Partners), 15 Regent Street, Nottingham.
BENTLEY, ALAN WILLIAM; A.C.A., 1956; (Edward Thomas Peirson & Sons), 39 High Street, Market Harborough, Leics.
BINDER, ALAN GEORGE; A.C.A., 1957; (F. L. Rouse & Co.), 2A The Broadway, Penn Road, Beaconsfield, Bucks, and at Aylesbury and Tring.
BOOTH, ROBERT BRIAN; A.C.A., 1956; (Lawson & Walker), Cheapside Chambers, 23-25 Cheapside, Bradford, 1.
BOYALL, LAURENCE RICHARD; A.C.A., 1958; (S. 1956); 39 Truro Road, Wood Green, London, N.22.
BROOKES, RAYMOND; A.C.A., 1955; (C. H. B.



Reserves are 5% of the total capital. The Society can, with safety, maintain its share dividend at 4% p.a. net (gross equivalent about 7% to anyone subject to Income Tax at 8s. 6d. in the £.)

4%

*Well within the
safety margin*

INCOME TAX PAID BY THE SOCIETY

*Member of the Building Societies Association
Assets £6,750,000*

Write for informative booklet

THE CITY of LONDON BUILDING SOCIETY

(formerly Fourth City Building Society) (Est. 1862)

34 LONDON WALL, LONDON, E.C.2

Monarch 2525/6/7

MAXIMISE YOUR PROSPECTS

WITH

The British College of Accountancy

You can ensure Success by entrusting YOUR tuition to US.

OUR RECORD of service to the Profession extends from 1919, and is one of consistent Progress. The 'Acid Test' of Tutorial Efficiency in the Accountancy Examinations is fully illustrated in that during this period our Students have secured more than—

28,000 Successes

including

785 Honours

and

115 First Places

To: The British College of Accountancy, 121 London Wall, EC2
Please forward a College Prospectus, together with a
Lecture Programme and specimen copy of 'Zest'. I am
interested in the examinations.

Name

Address

(S-2)

By Order of Messrs. Ross Bros. (Ben Rhydding) Ltd., who have ceased production of Aircraft Components

ALBERT MILLS and CANAL WORKS, YEADON, nr. LEEDS

HENRY BUTCHER & CO.

in conjunction with **JOHN H. RABY**

are instructed to offer for SALE BY AUCTION IN LOTS

at ALBERT MILLS, YEADON, on

TUESDAY, 10th MARCH, 1959

AND DAY FOLLOWING at ELEVEN A.M. EACH DAY, THE

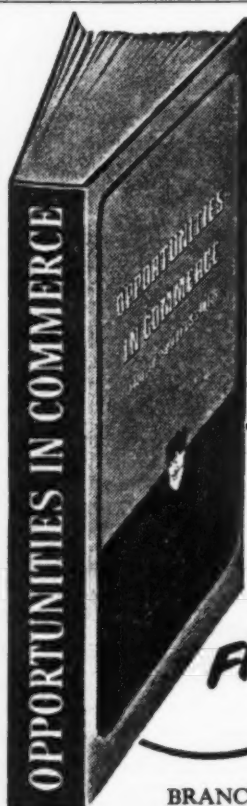
MACHINE TOOLS & EQUIPMENT, SHEET METAL WORKING PLANT

including

S.S. & S.C., CAPSTAN AND TURRET LATHES by "Swift," "Holbrook," "Hendey," "Herbert" and "Ward"
 POWER PRESSES UP TO 400 TONS by "Bliss," "Taylor & Challen," "Toledo," "Lecra" and "Wilkins & Mitchell"
 HORIZONTAL AND VERTICAL MILLING MACHINES by "Cincinnati," "Archdale," "Wanderer" and "Adcock & Shipley"
 "LINDNER" AND "KRAUSE" JIG BORERS "CINCINNATI" HYDRO-TEL MILLING MACHINE
 CYLINDRICAL, INTERNAL, SURFACE, TOOL & CUTTER AND THREAD GRINDERS
 by "Churchill," "Heald" and "Matric"
 RADIAL, PILLAR AND BENCH DRILLING MACHINES
 HORIZONTAL AND VERTICAL BORERS by "Kearns," "Richards" and "Schiess"
 PRECISION ROTARY TABLES SHAPING, SLOTTING AND HONING MACHINES
 Shot Blast Outfits Air Compressors Degreasers
 GUILLOTINES FLY PRESSES FOLDING MACHINES SPOT, ARC AND ARGON-ARC WELDERS
 "WADKIN" METAL ROUTERS COLD SAWS RIVETERS
 "Teleflex" and "Flowline" Conveyors Platform Weighing Machine
 INFRA RED OVENS "BOFORS" AUTO COLD HEADERS PRECISION INSTRUMENTS
 ENGINEERS' SMALL TOOLS OFFICE FURNITURE AND CANTEN EQUIPMENT

Catalogues (when ready), price 6d. each, may be obtained of:

JOHN H. RABY, Esq., Chartered Auctioneer & Estate Agent, 25 Cheapside, Bradford, and of
 Messrs. HENRY BUTCHER & CO., Auctioneers, Valuers & Surveyors of Factories, Plant & Equipment, 73 Chancery Lane,
 London, W.C.2. Telephone: HOLborn 8411 (eight lines)



PASS YOUR EXAMINATIONS AT THE FIRST ATTEMPT

FREE 136-page Guide to professional careers tells you how

You CAN bring much nearer 'the great day' when you proudly write some letters after your name. You can save many hours of work and enjoy your preparation if you put yourself in the capable and friendly hands of the School of Careers.

**We definitely Guarantee
 NO PASS — NO FEE**
 to every candidate who completes the course

... and we give you this guarantee in writing. If on completion of the course you do not pass your examination at the first attempt it will not cost you a penny in tuition-fees. Full details of the unique S.O.C. Simplified Study system and a superb range of guaranteed Postal Courses are given in our informative 136-page Guide *Opportunities in Commerce and the Professions*. Send for your copy today—FREE and without obligation.

**136
 Page
 Guide**

FREE

- * Modern, streamlined methods . . . you learn the fast way and make astonishing progress.
- * Courses based on standard text-books . . . brilliant time-saving lessons and Model Answers.
- * Begin at any stage you like . . . from the 'ABC' of each subject if you wish.
- * We provide all necessary text-books which remain in your own property.
- * Moderate fees payable by small monthly sums. Written guarantee.

GUARANTEED COURSES FOR ALL MAJOR ACCOUNTANCY EXAMINATIONS

Please state subject or examination of interest.

School of Careers

135, College House, Kensington, London W.8



BRANCHES: Canada, Australia, South Africa, India, Ceylon, Kenya, Rhodesia, West Indies, U.S.A., Israel

- Gilroy & Co.), Midland Bank Chambers, Wellington Street, Aldershot.
- BUCKLE, MICHAEL HUBERT PARKER; A.C.A., 1955; (C. L. Dain & Co.), Westminster Bank Chambers, Market Square, Lichfield, Staffs, and at Rugeley.
- CHAPLIN, (Mrs.) NORAH PATRICIA; A.C.A., 1955; (Chaplin & Co.), 60 Waterloo Road, Wolverhampton.
- EARNshaw, STANLEY JOHN; A.C.A., 1958; (S. 1952); 18 Athol Street, Douglas, Isle of Man.
- FAIRCLIFF, MALCOLM CLAUDE; A.C.A., 1956; (H. Waissen Wilson & Co.), 20 Copthall Avenue, London, E.C.2, and at Spalding; also at Brighton (Wilson, Holmes & Co.).
- FLETCHER, JAMES BRUCE; A.C.A., 1951; (Buckley, Hall, Devin & Co.), National Provincial Chambers, Silver Street, Hull, and at Bridlington, Market Weighton and Scarborough.
- GAUKROGER, ROBERT; A.C.A., 1936; (Howle, Sewell & Neep), Legal & General Insurance Buildings, 8 Waterloo Street, Birmingham, 2.
- GOODFELLOW, HORACE ARTHUR TEWKSBURY; A.C.A., 1958; 29 Dornton Road, South Croydon, Surrey.
- GRAHAMSLAW, STUART; A.C.A., 1940; (†Kiddsons, Taylor & Co.), 1 Booth Street, Manchester, 2, and at London.
- GRIFFITH, HUW GARETH; A.C.A., 1958; (*Tal Griffith & Son), 36 High Street, Pwllheli.
- HARDY, RONALD CRAGG; A.C.A., 1952; (John Adamson, Son & Co.), 1 Chancery Place, Booth Street, Manchester, 2.
- HILL, WILLIAM LESLIE; A.C.A., 1928; (*Lawson & Walker), Cheapside Chambers, 23-25 Cheapside, Bradford, 1.
- JENKINS, WILLIAM RHIDIAN; A.C.A., 1958; (S. 1952); (K. Ivor Morgan & Co.), Druslyn House, Swansea.
- JENKS, MAURICE ARTHUR BRIAN; A.C.A., 1956; (†Jenks, Percival, Pidgeon & Co.), 14 Finsbury Circus, London, E.C.2.
- JONES, WILLIAM ROBERT; A.C.A., 1955; (*Banner, Jones & Co.), Williams Deacons Chambers, Horsemarket Street, Warrington.
- JORDAN, MICHAEL ANTHONY; A.C.A., 1957; (R. H. March, Son & Co.), Baltic House, Mount Stuart Square, Cardiff, and at London.
- KERMODE, NEIL WILLIAM; A.C.A., 1954; (Latimer & Kelsall), 134 The Albany, Old Hall Street, Liverpool, 3.
- KIRK, GERARD DAVID; A.C.A., 1958; (S. 1953); 41 St. David's Hill, Exeter.
- LAVENDER, JOHN CHARLES; A.C.A., 1955; (Mellors, Basden & Mellors), The Estate Office, Trafford Park, Manchester, 17, and at Nottingham.
- LETHEREN, JOHN WALTER; A.C.A., 1954; (Coward, Button & Co.) and (Keith Michell & Co.), Southampton House, 317 High Holborn, London, W.C.1.
- LITTLECHILD, THOMAS ARCHIBALD WALTER; A.C.A., 1958; (S. 1948); (Whitaker & Redfearn), Alverton Manor, Penzance, and at St. Ives.
- MALCOLM, ROBERT LAWRENCE; A.C.A., 1933; (Yeatman, Melbourn & Co.) and (L. M. Harris & Co.), 68 Coleman Street, London, E.C.2.
- MALLET, MICHAEL JOHN; A.C.A., 1957; (Noel Lewis & Co.), 25 Fenwick Street, Liverpool, 2, and at Hoylake.
- MARTIN, OSWALD; A.C.A., 1954; (Whitaker & Redfearn), Alverton Manor, Penzance, and at St. Ives; also at Camborne (Tyack, Whitaker, Redfearn & Co.).
- MASON, WALTER NEVILLE; A.C.A., 1953; (Arnold Watson & Co.), Chronicle Buildings, 74 Corporation Street, Manchester, 4.
- MOTTERHEAD, ARTHUR ANTHONY; A.C.A., 1952; (Mellor, Snape & Co.), Jordangate House, Macclesfield.
- MULLIN TAYLOR, DENNIS WALTER; A.C.A., 1958; (S. 1953); (Cunningham, Priestley & Co.), Moorhead Buildings, Cambridge Street, Sheffield, 1.
- PEARSON, JOHN GUY; A.C.A., 1949; (Stothert & Chappell), Wimborne House, Richmond Hill, Bournemouth.
- PEMBRIDGE, KENNETH JOHN; A.C.A., 1950; (Chaplin & Co.), 60 Waterloo Road, Wolverhampton.
- PEPPER, GEOFFREY FRANCIS; A.C.A., 1953; (Stanley Blythen & Co.), 12 Low Pavement, Nottingham, and at Long Eaton.
- REID, JOHN MARTIN; A.C.A., 1958; (S. 1957); (Gordon H. Down, Reid & Co.), 106 Walter Road, Swansea.
- ROBERTSON, DENNIS VERNON; A.C.A., 1954; (Herbert Hill & Co.), 555 Salisbury House, London Wall, London, E.C.2.
- RUSSELL, NORMAN HARVEY; A.C.A., 1953; (Alfred Tooke & Co.), 100 Park Street, London, W.1, and 1 Leadenhall Street, London, E.C.3.
- SCARLETT, JAMES HENRY; A.C.A., 1958; (S. 1957); (Henry Toothill & Son), 9-11 Figtree Lane, Sheffield, 1.
- SHANKLAND, BERNARD; A.C.A., 1958; (Alfred Shankland & Sons), 18 Windsor Place, Cardiff, and at Barry.
- SHERRATT, CHARLES JOHN; A.C.A., 1958; (S. 1957); (*A. Ewart Turner & Co.), 58 Ironmarket, Newcastle, Staffs.
- SMITH, CYRIL; A.C.A., 1958; (S. 1939); (Cunningham, Priestley & Co.), Moorhead Buildings, Cambridge Street, Sheffield, 1.
- SMITH, JOHN ANTHONY; A.C.A., 1958; (Prideaux, Frere, Brown & Co.), 12 Old Square, Lincoln's Inn, London, W.C.2.
- SNAPPE, DAVID BRERETON; A.C.A., 1953; (Mellor, Snape & Co.), Jordangate House, Jordangate, Macclesfield.
- TAYLOR, RONALD WILLIAM; A.C.A., 1958; (Percy & Gittins), Priory Street, Dudley, Worcs.
- TOMBS, FREDERICK GEORGE; A.C.A., 1951; (Cassleton Elliott & Co.), 4 & 6 Throgmorton Avenue, London, E.C.2.
- VIJLER, GEOFFREY HERBERT; A.C.A., 1932; (†Binder, Hamlyn & Co.), 121 Queen Victoria Street, London, E.C.4, and at Manchester.
- WALL, CLIFFORD JAMES; A.C.A., 1958; (S. 1956); (Mannington & Hubbard), 48 Havelock Road, Hastings, and at Bexhill-on-Sea and Rye.
- WALLIS, PHILIP NORMAN; A.C.A., 1958; (S. 1929); (Philip N. Wallis & Co.), Moat House, Sheepy Parva, near Atherstone, Warwicks.
- WALTERS, WILLIAM CHARLES; A.C.A., 1958; (S. 1949); 13 Barns Lane, Rushall, near Walsall, Staffs.
- WEBB, BRIAN ERNEST; A.C.A., 1958; (S. 1955); Rockhaven, Bisley Old Road, Stroud, Glos.
- WEBB, KENNETH ASHLEY; A.C.A., 1953; (C. L. Dain & Co.), Westminster Bank Chambers, Market Square, Lichfield, Staffs, and at Rugeley.
- WILKINSON, ALAN EMMERSON; A.C.A., 1948; (Chamberlain & Merchant), Park House, Friar Lane, Nottingham, and at Portmadoc.

Admission to Membership under the Scheme of Integration

The Council acceded to applications from three members of the Society of Incorporated Accountants for admission to membership of the Institute pursuant to the scheme of integration referred to in clause 34 of the Supplemental Royal Charter. All the new members have been notified. The total number of members now admitted under the scheme is 10,046.

§ Means "incorporated accountant member."
Firms not marked † or * are composed wholly of members of the Institute.
† Against the name of a firm indicates that the firm, though not wholly composed of members of the Institute, is composed wholly of chartered accountants who are members of one or another of the three Institutes of chartered accountants in Great Britain and Ireland.
* Against the name of a firm indicates that the firm is not wholly composed of members of one or another of the three Institutes of chartered accountants in Great Britain and Ireland.

Change of Name

The Secretary reported that the following change of name has been made in the Institute's records:
WILLIAM CAMPBELL BRADLEY to WILLIAM MARK CAMPBELL BRADLEY.

Resignations

The Council accepted the resignations from membership of the Institute of:

- BROWN, THOMAS ARTHUR; (1958); A.S.A.A., 1920; 32 Childwall Mount Road, Childwall, Liverpool, 16.
- BROWNE, CONRAD RUTHERFORD; A.C.A., 1927; c/o Administration, King's College Budo, P.O. Box 121, Kampala, Uganda.
- CHRISTOPHERSON, PETER MALCOLM, M.A.; A.C.A., 1940; 34 Radnor Walk, Chelsea, London, S.W.3.
- CLARK, HECTOR WOODMAN; A.C.A., 1920; Woodlyn, Meadow Road, Seaton, Devon.
- CROFT, CLIFFORD HENRY DOWNTON; A.C.A., 1931; Lisnalee, Woodland Way, Purley.
- ELLIOTT, ARTHUR HERBERT; A.C.A., 1914; Redling, Cranham Road, Cheltenham.
- FULFORD, JOHN UNDERHILL; A.C.A., 1937; North Healand, Torrington, Devon.
- GOWER, RICHARD CYRIL; (1958); A.S.A.A., 1924; 19 Woodgate Road, Eastbourne.
- GREENWOOD, HAROLD PILLING; A.C.A., 1921; 3 Hall Drive, Alkington, Middleton, Manchester.
- HIND, JOHN WHEELTON, T.D.; A.C.A., 1909; Devon Tors Hotel, Yelverton, South Devon.
- JEAVONS, LESLIE BALLAND; A.C.A., 1932; "Kinta," Route Orange, La Moye, St. Brelade, Jersey, Channel Islands.
- LEEMAN, GEORGE CLEMENTS; (1958); A.S.A.A., 1950; P.O. Box 193, Saxonwald, Transvaal.
- MORGAN, FRANCIS WILLIAM EWART, J.P.; F.C.A., 1958; (S. 1911, f. 1919); Melvin, Burnham, Bucks.
- NEISON, CUTHBERT URBAN; A.C.A., 1915; 20 Oakley Avenue, Ealing, London, W.5.
- SHARPE, WILLIAM GORDON; A.C.A., 1913; 6 Southfield Gardens East, Portobello, Midlothian.
- SMITH, WILLIAM LESLIE; A.C.A., 1947; Flat No. 3, "Holbeck House," Holbeck House, Scarborough.
- THOMAS, JOHN BERNARD; F.C.A., 1930; A.C.A., 1923; 4 Park Avenue, Sheffield.
- THOMAS, NORMAN BENSON; A.C.A., 1922; 9 Poppy Lane, Birmingham, 24.
- TUFFIN, LESLIE; A.C.A., 1958; (S. 1930); 17 Roman Road, Weymouth.
- WHITE, HENRY MAURICE; A.C.A., 1924; 87 Alfreton Road, Codnor, Derbyshire.

Deaths of Members

The Council received with regret the Secretary's report of the deaths of the following members:

- WITTY, RICHARD ALFRED, F.C.A., Rickmansworth, a member of the Council of The Society of Incorporated Accountants from 1930 and President of the Society 1942-45.
- ALLEN, CHARLES, F.C.A., London.
- AVERY, JOHN ROBERT, F.C.A., Goring by Sea.
- BABBAGE, GORDON ALFRED CHESTER, A.C.A., Bexhill-on-Sea.
- BEDFORD, PEVERLEY, F.C.A., Leeds.
- BENNETT, RONALD FREDERICK, A.C.A., Beaconsfield.
- BLACKLER, LESLIE BERNARD, F.C.A., London.
- CLEMINSON, CHARLES LIONEL OSBORN, A.C.A., Hitchin.
- CLINTON, ARTHUR GILBERT, Senr., A.C.A., Woking.
- COCKRILL, REGINALD JOHN, A.C.A., East London, S. Africa.
- DAS, HARENDRA CHANDRA, F.S.A.A., Calcutta.
- DAVIES, RUPERT EDWARD CHRISTIAN, A.C.A., Timperley.
- GREENWOOD, FRANK THOMAS, A.C.A., Maidstone.
- HARRISON, FRANK ORVIN PERCY, A.C.A., London.

HARVEY, JOHN, F.C.A., Liverpool.
 HEATHCOTE, FREDERIC LANCASTER, F.C.A., Birmingham.
 VAN DER HELSTRAETE, MARCEL LAWRENCE, A.C.A., London.
 HESFORD, CYRIL, A.C.A., Derby.
 HEYNES, ARTHUR FREEMAN, A.C.A., Littlehampton.
 JONES, ERNEST, A.C.A., Epping.
 KEMP, HENRY JAMES, A.C.A., Beckenham.
 LISTER, ALFRED JOHN, A.C.A., Norwich.
 LYTHGOE, GEORGE, A.C.A., Bognor Regis.
 MAWSON, JAMES RICHARD VERA, F.C.A., Sutton Coldfield.
 MIDDLETON, ALFRED HENRY, F.C.A., Manchester.
 MURPHY, LESLIE DONEGAN, A.C.A., Singapore.
 PALMER, AUBREY LIONEL, F.S.A.A., Cape Town.
 PHILLIPS, ALBERT ERNEST, F.C.A., Birmingham.
 ROBSON, LEONARD CHARLES FISHER, F.C.A., St. Albans.
 ROMANES, HUGH SCOTT, M.A., A.C.A., Sydney.
 SANDERS, HARRY, F.C.A., Wolverhampton.
 SHELDON, STUART CARTWRIGHT, A.C.A., Macclesfield.
 SLADDEN, RUPERT, F.C.A., Whetstone.
 SPENCER, WILLIAM JOHN, A.C.A., Nottingham.
 STEVENS, FREDERICK WILLIAM, F.C.A., Birmingham.
 STOKES, FRANK ARNOLD, A.C.A., Wokingham.
 WESSON, HAROLD ALFRED, F.C.A., London.

Findings and Decisions of the Disciplinary Committee

Findings and Decisions of the Disciplinary Committee of the Council of the Institute appointed pursuant to bye-law 103 of the bye-laws appended to the supplemental Royal Charter of December 21, 1948, at hearings held on January 7, 1959.

A formal complaint was preferred by the Investigation Committee of the Council of the Institute to the Disciplinary Committee of the Council that Charles William Decimus Over, A.C.A., was on October 7, 1958, at Bow Street Magistrates' Court convicted (a) on two charges that as liquidator of two limited companies he failed to send to the Registrar of Companies a statement in respect of the proceedings in and position of the liquidation of each of these companies, contrary to Section 342 of the Companies Act, 1948; (b) on two charges that as liquidator of the same two companies he failed to call a general meeting of each of these companies for the purpose of laying before it an account of the winding up, contrary to Section 290 of the Companies Act, 1948, so as to render himself liable to exclusion or suspension from membership of the Institute. The Committee found that the formal complaint against Charles William Decimus Over, A.C.A., had been proved under both headings and the Committee ordered that Charles William Decimus Over, A.C.A., of 44A Commercial Road, Woking, Surrey, be reprimanded.

A formal complaint was preferred by the Investigation Committee of the Council of

the Institute to the Disciplinary Committee of the Council that Ernest Walter Longhurst, F.C.A., was at the Assizes for the County of Hertford held on October 2, 1958, convicted upon his own confession of (a) one charge that he between January 1, 1946, and June 14, 1955, conspired with a certain person to cheat and defraud His Late Majesty King George VI, Her Majesty The Queen and the Commissioners of Inland Revenue by falsely stating in accounts, statements, documents and balance sheets the amount of the profit of a certain limited company; (b) five charges that with intent to defraud and to the prejudice of His Late Majesty King George VI, Her Majesty The Queen and the Commissioners of Inland Revenue he caused to be delivered to an Inspector of Taxes accounts purporting to be true profit and loss accounts of the business of the said limited company for each of the years December 31, 1948, 1949, 1950, 1952 and 1953, which accounts falsely stated the profits of the said business for each of these years, so as to render himself liable to exclusion or suspension from membership of the Institute. The Committee found that the formal complaint against Ernest Walter Longhurst, F.C.A., had been proved under both headings and the Committee ordered that Ernest Walter Longhurst, F.C.A., formerly of 217 Hoe Street, Walthamstow, London, E.17, be excluded from membership of the Institute.

Members' Library

The Librarian reports that among the books and papers acquired by the Institute in recent weeks by purchase and gifts are the following:

Accounting for Hire Purchase Transactions. (Statements on Accounting Practice No. 3.) (Australian Society of Accountants.) (Melbourne.) 1958. (Presented.)
 Advanced Cost Accountancy; by J. E. Smith and J. C. W. Day. 1959. (Gee, presented, 21s.)
 Business Budgeting: a survey of management planning and control practices; by B. H. Sord and G. A. Welsch. New York. 1958. (Controllership Foundation, 89s.)
 Butterworth's Company Precedents; ed. by R. Sutton and W. J. Williams: 3 vols. 1949. Supplement 1958. (Butterworth, 17s. 6d.)
 Case Studies in Records Retention and Control; by J. Moberly, Elizabeth D. Holbrook and others. New York. 1957. (Controllership Foundation, 63s.)
 Design and Control of Business Forms; by F. M. Knox. New York. 1952. (McGraw-Hill, 58s.)
 Green's Death Duties; by G. M. Green:

4th edn. by C. D. Harding. 1958. Supplement 1958. (Butterworth, 7s. 6d.)
 High-speed Data Processing; by C. C. Gottlieb and J. N. P. Hume. New York. 1958. (McGraw-Hill, 74s.)
 Insurance Administration; by J. B. Welson and H. Taylor: 7th edn. by W. A. Dinsdale. 1959. (Pitman, 32s. 6d.)
 Integrated Cost Control in the Office; by F. M. Knox. New York. 1958. (McGraw-Hill, 58s.)
 An Introduction to Cost Accountancy; by R. W. Dobson: Vol. 1: rev. edn. 1958. (Gee, presented, 37s. 6d.)
 The Iron and Steel Industry: Uniform Cost System. (British Iron and Steel Federation). 1958. (B.I. & S.F., presented, 52s. 6d.)
 The Liability to Tax of Non-resident Companies: a comparative study in fiscal law; by J. H. T. Schipper. The Hague. 1958. (Martinus Nijhoff, 33s. 6d.)
 Management Accounting in Practice: an examination of the problems that arise; by F. C. De Paula, F.C.A. 1959. (Pitman, 18s.)
 New Prospect of Economics: an introductory textbook by . . . the Department of Economics in the University of Liverpool. 1958. (Liverpool University Press, 30s.)
 Potter's Historical Introduction to English Law and its Institutions; by H. Potter: 4th edn. by A. K. R. Kiralfy. 1958. (Sweet & Maxwell, 45s.)
 Programming for an Automatic Digital Calculator; by Kathleen H. V. Booth. 1958. (Butterworth, 42s.)
 Punched Cards: their applications to science and industry; ed. by R. S. Casey and J. W. Perry: 2nd edn. ed. by R. S. Casey, J. W. Perry and others. New York. 1958. (Reinhold, 120s.)
 The Rating of Dwellings: History and General Survey: a research study; by H. G. Eckhart, W. Hayhurst and others. 1958. (Institute of Municipal Treasurers, 25s.)
 Readings in Linear Programming; by S. Vajda. 1958. (Pitman, 20s.)
 Reversionary Practice: a guide to the practice of investigating titles to reversionary and life interests; by J. P. E. F. Peters. 1959. (Solicitors Law Stationery Soc., 27s. 6d.)
 Simple Guide to Negotiable Instruments and the Bills of Exchange Acts; by D. Richardson: 2nd edn. 1958. (Butterworth, 17s. 6d.)
 Smiths the Bankers 1658-1958; by J. A. S. L. Leighton-Boyce. 1958. (National Provincial Bank, presented.)
 Social Change in the Law of Trusts; by G. W. Keeton. 1958. (Pitman, 25s.)
 Stamp Duties; by F. Nyland: 2nd edn. 1957. Supplement 1958. (Butterworth, 6s.)
 Technique of Executive Control; by E. H. Schell: 8th edn. New York. 1957. (McGraw-Hill, 45s.)
 Trends in Public Accounting Practice; by A. Donnelly. Sydney. 1958. (Butterworth (Australia), 36s.)



The senior partner waits without-

- without the copies of those figures he asked for about half an hour ago. To say he is angry is putting things mildly. Why, he asks, do I always have to wait? The most likely reason is that he has not yet looked into the question of using a "Thermo-Fax" Instant Dry-copier which produces accurate (no need for checking) copies in less time than it takes to stir a cup of tea. In one year a "Thermo-Fax" Dry-copier can save hundreds of pounds and much frustration. It is so simple to use that anyone - including the senior partner - can take copies without preparation. There are no negatives, no chemicals, no liquids and no waiting. Copy typing can now become a thing of the past.

It's time he inquired about

Thermo-Fax

REGD. TRADE MARK

"Secretary"

the instant dry-copier



Post to: COPYING PRODUCTS GROUP, MINNESOTA MINING & MANUFACTURING CO. LTD., 3M HOUSE, WIGMORE STREET, LONDON W1 (HUNTER 8822)

Please send us further information about the THERMO-FAX "Secretary" Instant Dry-copier.

NAME OF FIRM _____ (ATTENTION OF) _____

ADDRESS _____



TBW/T2Q



Quick, simple, foolproof

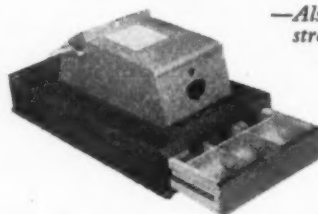
That's the Primus Register for you—the most straightforward and reliable register available. For quick handwritten records like works orders, delivery notes, goods inwards, stores requisitions and sales chits it is invaluable.

- * **Built to last.** We know of several Primus Registers that have been in use over 30 years.
- * **Simple mechanism.** Repairs are rare.
- * **Quick and easy loading.** Anybody can do it after being shown once.
- * **Automatic carboning.** Copies are always clear and distinct.
- * **Up to 5 carbon copies** with all models.
- * **Up to 300 sets of forms** in triplicate from one loading. Up to 150 sets in sextuplicate.
- * **One copy automatically locked away** in

sealed compartment as an infallible check on all transactions.

- * **Made in 3 sizes** to take forms 6in. x 4in., 8½in. x 5½in. and 8½in. x 8½in.
- * **Primus Continuous Stationery** for use in the Register designed for your particular needs.

—Also available fitted with strong metal lined wooden cash till.



Portable Model. A smaller version of the Standard Model. Easily carried. Identical performance except for locked copy.



Please write for leaflet giving full details.

PRIMUS
Registers

The Primus Register has been chosen for display by the Council of Industrial Design and may be seen at the Design Centres in both London and Glasgow.

A PRODUCT OF

CARTER-DAVIS LTD.

QUEEN ELIZABETH STREET, LONDON, S.E.1
Telephone HOP 5344 (5 lines)

BRANCHES: BELFAST, BIRMINGHAM, BRISTOL, DUBLIN, EDINBURGH, GLASGOW, LEEDS, LEICESTER, LIVERPOOL, MANCHESTER, NEWCASTLE.

The Institute of Chartered Accountants in England and Wales

Results of Examinations—November 1958

FINAL EXAMINATION

Certificates of Merit with Prizes Awarded

First Certificate of Merit, the Institute Prize, the W. B. Peat Medal and Prize, the William Quilter Prize, the O. C. Railton Prize for the year 1958, the Plender Prizes for the Papers on Taxation, Auditing, English Law (Part I) and English Law Part (II)

MARSH, Michael (S. Blackburn), London.
Second Certificate of Merit and the Walter Knox Scholarship (shared with one other)
JOSEPH, Neville Anthony (G. Sorene), London.
Second Certificate of Merit and the Walter Knox Scholarship (shared with one other)
MOSS, Timothy Campbell (A. A. Beardsall), Grimsby.

Fourth Certificate of Merit

MARSH, Peter (I. B. Goldstein), London.

Fifth Certificate of Merit

HELLINGS, Brian Aliol (J. M. Horsley), Falmouth.

Sixth Certificate of Merit and the Plender Prize for the Paper on General Financial Knowledge, Cost and Management Accounting

GRIFFIN, Peter (D. A. Smith), Wolverhampton.

Seventh Certificate of Merit

PREEDY, Timothy George (S. Edgcombe), Plymouth.

Eighth Certificate of Merit

TAYLOR, Norman (A. L. L. Glendinning), Newcastle upon Tyne.

Ninth Certificate of Merit

NEWMAN, Edward Stanley (H. G. Martin), London.

SHAH, Chandrakant Rikhabdas, Bombay.

Tenth Certificate of Merit

POINTER, Michael Albert (R. W. Barrow), London.

Twelfth Certificate of Merit

WAY, Derek Harold (J. F. Allen), Crewe.

List of Successful Candidates

(The name shown in brackets is the name of the principal to whom the clerk has been articled)

ADAMS, G. (W. S. Green), Stoke-on-Trent.
ADAMS, R. (A. T. Brain), Hereford.
ABBOTT, J. D. (C. L. Arundale), Macclesfield.
ADBY, D. (W. R. Young), Canterbury.
ADCOCK, O. J. W. (G. J. Pollard), Taunton.
ALEXANDER, J. M. (E. W. Hillyard), London.
ALLAN, R. M. (F. Edwards), Liverpool.
ALTON, B. W. B. (McK. Todd), Leicester.
AMERY, R. H. (R. C. Johnston), Birkenhead.
ANDERSON-MORSEHEAD, R. J. D. (T. Howorth), London.
ANGERS, B. M. (D. G. Bee), Preston.
ARCHER, J. B. (D. B. Ward), Middlesbrough.
ARMITAGE, B. (E. Eastwood), Bradford.
ARMSTRONG, D. G. (E. R. Hogg), London.
ARMSTRONG, E. R. (K. W. Oxley), Bradford.
ARMSTRONG, G. D. (J. M. Fendley), Carlisle.
ASHBY, G. F. (D. B. Buick), London.
ASHLEY, P. A. (H. B. C. Smith), London.
ASPIN, F. (F. Avison), Oldham.
ATKINSON, G. D. (J. L. Wannan), London.
AYRES, J. A. (D. R. B. Smith), London.
AYSCOUGH, J. (L. D. Morse), London.

BAILEY, A. M. (C. Fox), Sunderland.
BAILEY, T. (J. S. F. Hill), Nottingham.
BAILY, C. R. (A. W. Lowe), Liverpool.

(S) Service in accordance with the regulations of the former Society of Incorporated Accountants.

BAKER, A. D. (R. E. Herington), Birmingham.
BAKER, W. (S. M. Caldwell), Liverpool.
BALLANTYNE, R. L. (H. K. Turner), Liverpool.
BALLARD, B. I. (D. J. Gulliford), Portsmouth.
BANKS, G. N. J. (D. H. D. Freeman), London.
BANKS, P. B. J. (L. R. Elcombe), London.
BARGH, B. (J. Black), Chesterfield.
BARNES, R. D. (S.), London.
BARNES, W. (W. J. Gilbert), St. Albans.
BARRACLOUGH, R. (H. J. R. Ledsam), Birmingham.
BARRATT, P. W. (H. Baldwin), Manchester.
BARRETT, A. R. (C. J. Mason), Birmingham.
BARTER, T. M. (E. G. J. W. Kent), Colchester.
BASDEN-SMITH, H. P. (G. Hey), Manchester.
BAULK, R. E. (S. R. Edwards), Kidderminster.
BAYLISS, W. (F. B. Murray), Birmingham.
BECK, K. (H. Beck), Bradford.
BEDDOES, E. (H. R. Powell), Brierley Hill.
BEELEY, A. F. M. (Sir B. Binder), London.
BEETHAM, P. J. (D. E. C. Rowe), Derby.
BELTON, H. F. (A. M. Hendry), London.
BENNETT, B. E. F. (D. Lewis), London.
BENNETT, D. W. W. (G. C. Stables), London.
BENNEWITH, J. W. (H. W. Fisher), London.
BENTLEY, J. D. G. (W. T. Tanser), Leicester.
BERGER, M. K. (J. J. Turnbull), London.
BERNARD, P. A. (Sir W. S. Carrington), London.
BIGGIN, P. C. (G. T. Cheetham), Manchester.
BIRCH, M. J. (P. E. Bower), Manchester.
BIRD, A. W. (S.), Berwick-on-Tweed.
BIRD, P. C. J. (A. W. Wheeler), Tamworth.
BLACK, B. W. (L. S. Crowder), Nottingham.
BLACK, E. H. (W. E. R. Short), Liverpool.
BLACK, F. R. (M. S. Barker), London.
BLACKBORN, B. G. (M. E. Kitton), London.
BLAKE, J. P. (formerly with H. Sansom), Darlington.

BLEAZARD, K. (A. S. Watkinson), Blackpool.
BLECH, N. F. (P. Fisher), London.
BLINKHORN, A. (W. E. Blinkhorn), Bolton.
BLOSS, P. D. (H. J. Watkins), London.
BLUMSON, J. D. (H. H. de C. Moore), London.
BODINETZ, L. W. (E. N. Jacobs), London.
BODKIN, R. (S. E. Worley), Eastbourne.
BOOTH, A. T. (C. Yates), Manchester.
BOULOS, A. (F. L. Moulding), Sheffield.
BOWERS, K. J. (W. E. Ridsdale), London.
BOWKETT, R. J. (S.), Bristol.
BOYT, M. T. (W. J. Berry), Manchester.
BRADLEY, P. A. (D. H. Peed), London.
BRADMAN, E. A. (E. H. Ascher), London.
BRADSHAW, R. J. (J. S. Braime), Leeds.
BRAMALL, D. C. A. (H. Woodruff), Sheffield.
BRAMWELL, D. (R. W. Mitchell), Whitehaven.
BRANCH, R. F. J. (J. E. H. Littlewood), London.
BRENNAN, J. D. (C. A. Hunter), St. Helens.
BRIERLEY, D. R. (T. H. Bell), Manchester.
BRIGGS, D. R. (N. L. R. Trounce), Manchester.
BRIGHOUSE, J. B. (R. W. Cox), Nottingham.
BRIGHT, C. F. (A. M. Edwards), Luton.
BRIMELOW, A. (A. J. Ayling), London.
BRITTON, D. R. (W. A. Wheatcroft), Sheffield.
BROCKHOUSE, M. W. (J. D. Kelland), Birmingham.
BROOKE, J. R. (H. W. W. Gumbley), Birmingham.
BROWN, C. B. (E. A. Nickson), Blackpool.
BROWN, F. (H. Leech), Gateshead.
BROWN, R. A. G. (W. C. Cull), Southampton.
BROWN, W. R. (C. O. Reay), Liverpool.
BROWNHILL, J. R. (R. W. C. Dunn), Birmingham.
BROWNING, R. J. (W. K. Wells), London.
BRYANT, D. W. (T. S. Taylor), Gravesend.

BRYCE, N. M. (R. J. Churchill), Sunderland.
BULL, M. D. (A. L. Morell), Nottingham.
BURCHILL, K. P. (M. F. Andrews), Bristol.
BURGES, R. E. (W. A. T. Matheson), London.
BURGESS, D. C. (J. F. S. Rogers), London.
BURGESS, R. T. (J. M. Keith), London.
BURLEY, A. J. (E. F. Tuffrey), London.
BURNLEY, C. J. (F. Hack), Chester.
BURROWS, R. (S.), London.
BUTLER, T. A. (S. W. Smiles), London.

CALDER, D. J. (A. H. Calder), London.
CALVERT LEE, E. P. (T. R. T. Bucknill), London.
CAMPBELL, J. C. F. (D. G. Richards), London.
CAMPBELL, R. A. B. (D. N. Walton), Manchester.
CARNEY, M. (R. Lofthouse), Sunderland.
CARR, F. (J. J. Smith), Newcastle upon Tyne.
CASHMORE, H. G. (B. J. Ducker), London.
CASSON, G. R. L. (B. H. Brewill), Nottingham.
CHALKLEY, R. H. (R. Thompson), Spalding.
CHANDLER, E. R. (Miss) (E. E. Boyles), London.
CHANNON, G. A. (C. C. Yeo), Exeter.
CHEYNE, J. D. (D. F. Collins), London.
CHRISTIE, J. (G. P. Norton), Huddersfield.
CHRISTY, N. D. (F. C. Horne), London.
CLARET, J. (H. G. W. Gibson), London.
CLARKE, J. N. (H. M. Jones), London.
CLARKSON, P. B. A. (C. G. Johnston), London.
CLINE, P. (D. P. Jones), Pontypridd.
COGGINS, H. H. J. (A. E. Jones), London.
COLLEY, J. E. (H. C. E. Miller), London.
CONTRACTOR, K. K. (I. O. MacLeod), Birmingham.
COOK, J. M. (Sir R. Jennings), London.
COOK, K. G. T. (J. M. Keith), London.
COPE, B. R. (H. A. Nock), Dudley.
COPE, J. V. (F. A. Hogbin), Folkestone.
COPLEY, A. N. (F. Hyatt), Sheffield.
COPPLEMAN, H. (E. M. Beecham), London.
COULTER, D. J. (L. R. Turner), Liverpool.
COULTER, J. D. (W. F. Miles), Birmingham.
COVENTRY, E. R. (L. R. Armitage), Enfield.
CROFTS, B. H. (R. W. Cox), Nottingham.
CROSBY, P. (T. R. Maltby), Leeds.
CROWE, J. (R. J. Crowe), Newcastle upon Tyne.
CROWTHER, R. P. M. (W. G. J. Sales), London.
CUBITT, C. C. (N. F. Beecham), Norwich.
CUMMINS, W. R. (M. G. Spofforth), Worthing.
CUNNINGTON, J. P. (W. J. Morton), Leicester.
CURRIE, G. A. S. (W. L. Gallant), Leeds.
CUSHION, G. J. (W. H. Tarn), London.
CUTLER, J. D. (K. M. Moss), Bradford.

D'AGAPEYEFF, A. P. E. (W. P. Hancock), London.
DALWOOD, K. L. (L. R. Elcombe), London.
DAUDJEE, H. T. (R. M. Patel), London.
DAVIES, D. M. (R. M. Jones), Aberystwyth.
DAVIS, B. P. (M. Shrier), London.
DAVISON, J. B. (K. R. Morris), Bromsgrove.
DAVISON, W. G. (E. M. Robinson), Preston.
DAWBORN, R. M. (N. Baker), London.
DAWE, G. H. (R. P. Winter), Newcastle upon Tyne.
DAWSON, J. B. (J. H. Bell), Manchester.
DAWSON, P. F. (A. R. Brackenridge), London.
DAWSON, S. (Miss) (G. G. Dickinson), Sheffield.
DELDERFIELD, G. B. (R. G. Pye), London.
DELLA-PORTA, G. B. (A. F. Evans), London.
DHAWAN, K. (J. F. Atkinson), London.
DICKINSON, A. G. (C. Whitaker), Portsmouth.
DOCWRA, D. H. (N. Brett), London.
DODD, A. (N. Kirkham), Wolverhampton.
DODMAN, K. V. (A. J. Glass), Liverpool.
DODWELL, P. E. (J. W. Vincent), London.
DOHERTY, H. I. (L. W. Robson), London.
DOLEMAN, J. F. (R. Cullen), Leicester.
DONOHUE, N. H. (S. Whitehead), Preston.
DOVEY, G. T. I. (E. J. Pinniger), Salisbury.
DOYLE, T. E. (W. R. Fairclough), Manchester.
DRURY, J. V. (C. R. Tallon), London.
DUNCAN, A. S. (R. S. Colwill), London.
DUNCAN, M. I. (A. H. Walker), Liverpool.

EGAN, T. M. (D. B. Lawson), London.
EL CHEIKH, E. (H. H. Keen), London.
ELDER, R. B. (A. S. Hill), Coventry.
EL-ENBABA, M. S. (N. H. Pattison), Newcastle upon Tyne.

ELLISON, J. F. (T. G. Gobat), Hereford.
ELPHICK, D. J. (J. L. Guy), London.
ENG, S. E. (H. Webber), London.
EVANS, D. T. G. (C. H. March), Cardiff.
EVANS, J. D. (J. J. Webber), Minehead.
EVANS, J. G. (W. N. Chick), Nottingham.
EYNON, D. (C. U. Peat), Darlington.

FARQUHARSON, D. M. (C. Stevens), London.
FATAKIA, A. N. (G. Selby), London.
FINLAY, A. N. (J. Mayhew-Sanders), London.
FISH, B. (W. G. Miles), Slough.
FISHER, D. E. (W. S. C. Charles), Carlisle.
FISHER, D. R. (W. R. G. Weaver), London.
FOOKS, J. A. (S), Cardiff.
FOSTER, E. L. (S. A. Gradwell), Manchester.
FOSTER, G. W. (G. F. Thornton), Bideford.
FOSTER, J. M. (B. Kidson), Wolverhampton.
FOWLE, C. J. (H. S. Isitt), London.
FOWLER, M. C. O. (Miss) (J. H. Davies), London.
FOX, J. S. (J. R. Briggs), London.
FOXWELL, M. J. (H. M. Sayers), London.
FRANCES, P. R. (A. J. Bloch), London.
FREEBOROUGH, C. R. (J. R. Freeborough), London.
FREEMAN, M. A. (P. F. Spurway), Cardiff.

GANLEY, W. B. (J. B. Harding), Leigh.
GELLATLY, G. R. N. (H. C. Gill), Manchester.
GERRARD, J. M. (K. Pilling), Bolton.
GHOSE, A. K. (M. Sinclair), London.
GIBBS, J. M. (J. W. Powell), Birmingham.
GIBSON, R. T. (J. Allured), Manchester.
GILL, B. H. (H. Unitt), Birmingham.
GLADSTONE, C. S. (G. Bostock), London.
GLAYSHER, J. W. (L. H. Andrews), Horsham.
GLOVER, R. A. (L. M. Wildbore), Birmingham.
GOATE, C. G. C. (T. Howorth), London.
GODFREY, S. M. (Miss) (J. M. Harvey), Liverpool.
GOODALE, P. T. (H. C. Cox), Manchester.
GOODMAN, E. M. (B. F. Hallett), London.
GORDON, M. J. D. (J. D. D. Newton), London.
GOULD, A. (A. F. G. Blissett), Nottingham.
GRANGER, M. E. (E. N. Jackson), Derby.
GRAY, B. C. (T. G. Buckingham), London.
GRAY, J. P. (A. B. Sandal), Wisbech.
GREEN, B. R. (A. R. King-Farlow), London.
GREEN, D. L. B. (R. Pinto), London.
GREEN, G. W. (P. Cooper), Newcastle upon Tyne.
GRENIER, J. A. (H. W. Bagge), London.
GREY, H. G. (A. E. Whitcomb), Luton.
GRIFFIN, J. S. (N. J. Dodd), London.
GRIFFIN, L. (L. J. Moore), Newmarket.
*GRIFFIN, P. (D. A. Smith), Wolverhampton.
GRISTWOOD, B. M. (B. Dudley), Newcastle upon Tyne.
GROSE, D. A. (G. L. Bice), Truro.

HAIDER, S. (C. R. Jeffreys), London.
HALE, M. R. (B. Gilbert), London.
HALL, A. W. (H. M. Pepper), Birmingham.
HALL, J. M. (E. S. Hall), Solihull.
HAMAD, A. N. (W. J. Jennings), Birmingham.
HAMBIDGE, D. C. (T. J. Bond), London.
HANLEY, A. R. (B. N. Antoine), Peterborough.
HANNAH, D. M. (W. R. Carter), Manchester.
HARDYMAN, A. S. (L. Tempest), Leeds.
HARGREAVES, P. F. (E. D. Jehring), London.
HARRIS, A. H. (D. R. Avans), London.
HARRISON, J. J. H. (D. H. Whinney), London.
HARRISON, J. A. (E. L. Ashton), Liverpool.
HARRISON, P. R. (A. E. Campbell), Manchester.
HARSANT, R. P. (V. Keen), London.
HARWOOD, M. J. (C. O. Skey), London.
HATTON, T. P. (C. W. Taylor), Barnstaple.
HAWTHORNE, C. C. (S. Valey), Reading.
HEAP, S. E. (Miss) (W. Parker), Burnley.
*HELLINGS, B. A. (J. M. Horsley), Falmouth.
HEWENS, J. D. (H. F. Payne), London.
HEWITSON, R. P. (J. L. Crow), London.

HEWITT, C. W. T. (G. F. Sidaway), Blackheath, Staffs.
HILL, A. R. I. (B. C. Neal), London.
HISCOCK, K. B. (L. Moore), London.
HOATH, D. F. (P. Westheap), Manchester.
HOBDAV, R. O. (R. G. Scott), London.
HOBSON, R. T. (H. Hebblethwaite), Sheffield.
HOLLINGS, T. E. (W. J. Morton), Leicester.
HOLTON, D. S. G. (D. J. Hadley), Birmingham.
HONEY, D. C. (F. J. W. Hodgson), Plymouth.
HOPKINS-HUSSON, A. M. (J. M. P. Bishop), London.
HORNSBY, R. P. A. (H. S. Widgey), Hereford.
HORTON, B. T. P. (P. Foster), London.
HOUGHTON, G. A. (H. Tuckey), Birmingham.
HOULDING, R. G. (S), Kenya.
HOWARD, J. A. (C. R. Gaultier), Blackpool.
HOWATT, J. H. (H. Keate), Manchester.
HUBBARD, A. M. (D. J. Grinnings), London.
HUDSON-DAVIES, B. H. R. (D. C. Hobson), London.
HUGHES, J. (formerly with H. T. Hughes), Llandudno.
HUNTER, J. (R. Hunter), London.
HURLEY, R. L. (W. H. Bowles), London.
HUTCHISON, D. (T. A. Fursey), Birmingham.
HYDE, P. J. (J. M. Richards), Bradford.

INGLE, J. D. (K. G. Ayling), Bournemouth.
IRESON, G. O. (M. B. Hewitt), Leeds.
IRVIN, B. (W. J. Campbell), Hull.
ISBELL, C. R. (G. C. Ratnage), Walthamstow.

JACKSON, G. H. (J. Maxwell), Manchester.
JAMES, B. (C. A. Smith), London.
JAMES, D. P. R. (S. K. Tubbs), London.
JANNEY, P. R. (B. G. McCarthy), Birmingham.
JEWSBURY, D. (G. T. E. Chamberlain), Leicester.
JEWSBURY, R. (J. D. Watson), Stockport.
JOHNS, P. S. (P. W. Payne), London.
JOHNSON, J. R. (E. Macartney), Newcastle upon Tyne.
JOHNSON, W. S. (H. Squires), Dewsbury.
JONES, A. S. (W. E. Price), Bristol.
JONES, B. C. (F. H. Cropp), London.
JONES, G. B. (C. K. Stansfield), London.
JONES, K. M. (P. A. Lloyd), Liverpool.
JONES, T. (C. R. K. Mace), London.
*JOSEPH, N. A. (G. Sorene), London.
JOYNES, B. (T. Bedford), Leeds.
JUSTICE, A. F. (E. C. Hobbs), Retford.

KANAS, P. E. (I. M. Morris), Manchester.
KAPLIN, A. V. (S. Gainsley), London.
KEELER, B. R. (H. J. Patience), London.
KEIGHLEY, L. (T. J. Harrison), Liverpool.
KELSEY, B. C. (Mourant), London.
KEMP, E. P. (J. P. Stephens), London.
KENT, D. T. (E. T. Thurlow), Guildford.
KING, A. H. (F. Fox), Bradford.
KING, D. J. (B. MacD. Hennell), London.
KING, D. J. (Henderson), Liverpool.
KING, T. H. E. (H. L. Pedley), London.
KINSLEY, J. T. (J. H. Curtis), Ealing.
KITSON, J. T. (E. Sugden), Leeds.
KNELLER, M. A. (N. C. R. Nash), London.
KNOCK, J. E. (J. R. Taylor), Redhill.
KROLL, D. (S), London.

LAKEMAN, C. B. (H. P. Lawrence), Bristol.
LALL, M. M. (P. G. Heslop), London.
LANCASHIRE, W. J. (W. P. Hancock), London.
LANCE, N. O. (R. G. Finn-Kelcey), Ashford, Kent.
LANE, S. W. (R. W. Carr), Leeds.
LATHAM, C. G. A. (K. H. Fisher), London.
LATHAM, G. A. (A. E. Spicer), London.
LAWSON, B. J. (S. H. Swallow), London.
LEACH, R. J. (J. R. Moyle), Ipswich.
LEDWITH, B. (J. N. Thurgood), London.
LEVENE, M. (C. R. Murray), London.
LEVETT, R. S. (D. H. Levett), London.

LEVISON, J. P. (E. M. Beecham), London.
LEWIS, P. V. (F. B. Massey), London.
LICKISS, M. G. (J. M. Watson), Bournemouth.
LIM, C. B. (H. G. C. Haering), London.
LLOYD, M. J. (K. W. S. Clark), London.
LLOYD, R. W. (H. W. Wilson), London.
LO, R. D. (A. G. A. Rainey), London.
LOCK, J. M. (T. G. Harding), London.
LONG, C. J. (J. Wilkie), Newcastle upon Tyne.
LOMAX, M. R. C. (E. Dutton), Chester.
LORKIN, A. C. (V. R. V. Cooper), London.
LOWE, J. B. D. (K. G. Lyon), Liverpool.
LUCAS, J. M. (K. H. Marsden), Blackburn.
LUCAS, R. F. (D. A. White), Bristol.
LUK, T. M. (A. W. Coleman), London.
LYLE, I. A. D. (D. R. Cole), London.
LYON, D. (S. R. Aldrich), Preston.
LYON, M. G. (J. C. MacGregor), Liverpool.
(Plender Prize for the paper on Advanced Accounting (Part I)).
LYONS, B. H. (A. N. Emanuel), London.

MCALISTER, M. I. (E. D. McMillan), London.
MCAULIFFE, T. M. (E. D. Basden), London.
McCANN, T. W. (D. D. Williamson), London.
McCURRICH, J. M. (C. J. M. Bennett), London.
McCOLL, P. (S. W. Ehret), Birmingham.
McDONNELL, T. P. E. (E. Corcoran), Manchester.
McPHERSON, A. B. (L. W. Moscrop), London.
MACKINLAY, J. L. (F. A. M. McDanell), London.
MADDOCKS, T. (W. F. N. Watkins), Shrewsbury.
MALIN, R. M. (J. T. Corbett), London.
MALKIN, J. K. (C. Malkin), Stoke-on-Trent.
MALONE, T. P. (R. H. Nicholson), London.
MANN, J. M. (F. W. English), London.
MANSBRIDGE, R. L. (S. Trent), London.
MARGETTS, B. H. (D. A. W. Hamilton), London.
*MARSH, M. (S. Blackburn), London.
*MARSH, P. (I. B. Goldstein), London.
MARSHALL, J. F. (J. S. Haywood), Sheffield.
MARSTON, F. R. (J. Allured), Manchester.
MARTIN, D. C. (E. J. N. Nabarro), London.
MARTIN, D. F. (A. J. Wheeler), Exeter.
MASON, D. P. E. (M. C. Holmes), Eastbourne.
MASON, G. (J. S. Sutton), Birmingham.
MASON, K. M. (I. H. Sharpe), Ilkley.
MATTHEWS, R. G. (A. E. Jones), London.
MAY, J. (E. A. Mortelman), London.
MAYCOCK, B. C. (A. E. Mitchell), Chesterfield.
MAYERS, P. G. (T. F. Holman), Birmingham.
MAYL, C. A. (S. C. Smith-Cox), Bristol.
MAYO, J. C. (formerly with B. G. Davison), Leamington Spa.
MEACOCK, P. M. (Mrs.) (G. W. Percival), Birmingham.
MEDLAM, A. J. (W. N. D. Evans), Birmingham.
MEHLMAN, D. M. (C. G. E. Pryke), London.
MENDEL, P. B. (H. Brandes), London.
MERKLER, A. (S. A. Cayzer), High Wycombe.
MILES, B. H. (M. C. Stothert), Bournemouth.
MILLER, J. B. (V. A. S. Goddard), London.
MILLER, R. (A. B. Richardson), Hastings.
MILLIKEN SMITH, P. R. (A. L. Bersey), London.
MILLING, A. M. (H. A. Esden), London.
MITCHELL, W. T. (A. G. L. Puckle), London.
MODI, S. A. (C. Fenton), London.
MOFFATT, A. J. (H. K. Gibbons), Bristol.
MONCKTON, F. P. (H. H. Brodie), London.
MOORE, E. S. (C. E. Corney), Birmingham.
MOORSE, T. W. (M. J. Prince), Bournemouth.
MORECAMBE, W. A. T. (H. L. Layton), London.
MORGAN, M. J. (R. Walton), Leeds.
MORRISON, A. W. K. (L. W. Gatenby), London.
*MOSS, T. C. (A. A. Beardsall), Grimsby.
MOSTAFA, M. A. H. (G. M. Sherwood), Birmingham.
MULLER, C. S. (F. K. Berry), Maidstone.
MUSKETT, B. D. (L. V. Russell), London.

NALKIN, D. S. (G. G. Rhodes), London.
NEAL, C. M. (C. Bacon), Derby.
*NEWMAN, E. S. (H. G. Martin), London.
NEWHAM, T. A. (R. F. E. Asquith), Leeds.
NEWTN, J. T. (D. E. F. Green), Luton.
NICKELS, P. B. (J. F. Hudson), London.
NOBLE, B. T. (K. D. F. Guyton), Letchworth.
NORTH, J. H. (H. S. King), London.
NOWELL-WITHERS, D. B. (E. D. Robinson), Blackpool.

SUMMARY OF RESULTS

	Final	Intermediate	Preliminary	Total
Candidates successful ..	578	701	68	1,347
Candidates failed	577	807	119	1,503
Candidates sat	1,155	1,508	187	2,850

* See also Certificates of merit above.

OLDBURY, W. D. (A. Bush), Huntingdon.
O'REGAN, B. M. (R. Philp), London.

PACKER, W. R. (R. L. Harrison), London.
PAGE, B. S. (H. F. Mathews), London.
PAGETT, G. R. (L. N. Winder), Liverpool.
PAIN, A. M. H. (L. F. Durman), London.
PALMER, A. W. F. (C. F. Lacey), Bury St. Edmunds.
PALMER, J. R. (E. G. Mathias), Tavistock.
PANTALL, G. (J. W. Fawdry), Portsmouth.
PARKES, H. (Mrs.) (F. L. Parry), London.
PARR, G. J. (E. W. Hillyard), London.
PASSE, H. (L. M. Kershaw), London.
PATTINSON, M. (M. C. Holgate), Manchester.
PEACOCK, R. (S. Shipley).
PEARCE, E. T. (H. S. Hardwick), London.
PEARCE, W. M. (E. G. Turner), Manchester.
PENDRY, B. A. (C. E. M. Emmerson), London.
PERKS, P. J. (C. Woodhouse), Southsea.
PERRYMAN, B. E. (E. S. Prince), London.
PHIPPS, R. A. (H. J. Jones), London.
PIKE, L. J. (C. W. Raw), London.
PINNICK, J. J. (L. D. Simmons), London.
PITCHER, C. A. (C. W. Payne), Stroud.
*POINTER, M. A. (R. W. Barrow), London.
POLLARD, B. (R. C. Evers), London.
POTTER, R. W. G. (A. E. D. Tribe), Bristol.
*PREEDY, T. G. (S. Edgcombe), Plymouth.
PROFFIT, P. T. (A. A. Johnstone), Wirral.

RAHMAN, M. S. (H. N. Ballard), London.
RANKIN, I. T. (L. W. Bingham), London.
RASANAYAGAM, S. (E. H. Channon), London.
RATLEDGE, M. R. (S. Dean), Coventry.
REED, B. A. (D. F. Jewers), Plymouth.
REED, J. E. (S.), London.
REEVES, E. J. (D. O. Johnston), High Wycombe.
REID, M. W. J. (W. A. Couzens), London.
RHODES, T. (T. Alderson), Manchester.
RICE, M. E. (W. T. W. Tickler), London.
RICHARDSON, R. M. (E. G. Lambard), London.
RICHMOND, D. G. (G. S. Limb), Mansfield.
RIDGWAY, M. W. (D. B. Dawes), Manchester.
RIGG, G. M. (M. N. Shaw), Dewsbury.
RIMMER, M. T. (J. R. Griffiths), Colwyn Bay.
RIPLEY, O. (J. Mather), Chesterfield.
ROBBINS, G. J. (L. V. West), Swansea.
ROBINSON, G. (K. MacN. Black), Matlock.
ROCK, G. A. (S. C. Mallett), Birmingham.
RODGER, J. H. (J. D. Barber), Sheffield.
ROFF, M. D. (F. D. Webb), Manchester.
ROGLES, B. D. (D. W. Malpas), Bournemouth.
ROSE, R. H. (E. Winstanley), Grantham.
ROWLES, G. J. (P. M. Lowick), Bristol.
ROWLINSON, D. H. (G. M. Brauntun), Birmingham.
RUSSELL, E. A. (E. C. Jennings), South Shields.
RUSSELL, F. H. (K. Mashford), Worthing.
RUSSELL, P. J. (H. W. Evemy), London.

SAMS, G. (C. E. Garratt), Birmingham.
SANDERSON, R. G. (R. W. Swinbank), Stockton-on-Tees.
SAUNDERS, M. H. (E. C. A. Arnold), Hove.
SCHOOLING, R. F. (G. D. F. Dillon), London.
SCURLOCK, P. F. (G. R. Stone), Birmingham.
SCUTT, D. G. (J. S. Meyler), Brighton.
SEARS, A. (L. Cohen), London.
SHAFFER, A. L. (W. Griffiths), Bolton.
*SHAH, C. R. (S.), Bombay.
SHALET, S. A. (P. Wand), Southend-on-Sea.
SHARPLES, T. F. (B. G. Counsell), Blackpool.
SHAW, D. B. (H. Battye), Sheffield.
SHEARER, I. F. (S.), Scunthorpe.
SHEW, J. D. (J. W. Morrell), London.
SHORT, J. S. (P. C. Greenwood), Reading.
SHUTTER, R. C. (P. P. Richards), Bristol.
SIDWELL, A. J. (J. I. Calcott), Leamington Spa.
(Frederick Whinney Prize and the Plender Prize for the paper on Advanced Accounting (Part II)).
SIMMONDS, G. B. S. (A. Hanson), Manchester.
SIMMONDS, P. J. (D. H. Williams), Lewes.
SIMPSON, G. V. (R. P. Matthews), London.
SINCLAIR, H. H. (A. Sadie), London.
SINCLAIR, W. I. (H. Newman), London.
SLATTER, K. W. (B. Place), East Grinstead.
SMITH, A. C. (A. N. Bass), London.
SMITH, B. E. (J. E. Forsdike), Sheffield.
SMITH, B. E. J. (D. Swain), Birmingham.
SMITH, D. J. (J. N. B. Millican), London.
SMITH, L. D. (J. H. Jayson), London.
SMITH, P. V. (R. H. Wood), Bradford.

SMITH, R. A. (W. L. Farr), Nottingham.
SNOWDON, D. R. (W. G. Mackey), Newcastle upon Tyne.
SOHRAWARDY, S-U. A. (H. P. Allsop), Birmingham.
SOUTH, E. C. (R. H. Hilton-Jones), Shrewsbury.
SOUTHERN, P. C. B. (I. G. Aspinall), Blackpool.
SPURDLE, M. W. F. (R. W. Metcalf), London.
STACEY, J. W. (A. N. Myers), Cambridge.
STANLEY, P. H. A. (S. K. Tubbs), London.
STEELE, D. F. (F. S. Kott), Manchester.
STEIN, A. R. (B. J. A. Lowe), London.
STEPHENSON, B. (E. Hodgkinson), Accrington.
STEPHENSON, D. H. (H. A. Sudell), London.
STEWART, M. de M. A. (D. H. Collier), London.
STONE, T. J. (M. A. Brown), Bath.
STOWERS, R. M. (H. E. Traylen), London.
STUART, A. G. P. (C. R. Stephenson), London.
STYLE, A. C. (R. Dixon), Brighton.
SUMMERFIELD, J. H. (H. J. Gittos), Birmingham.
SUMNER, F. W. (M. B. Browne), London.
SUTTON, J. C. (R. J. White), Abergavenny.
SYKES, H. J. L. (H. W. P. Johnson), Darlington.

TAPPIN, C. J. (J. R. Paramour), London.
TAYLOR, C. E. (F. A. Holyoak), Shrewsbury.
TAYLOR, G. (G. Ingham), Bradford.
*TAYLOR, N. (A. L. L. Glendinning), Newcastle upon Tyne.
TAYLOR, P. M. (N. E. West), Littlehampton.
TENNYSON, J. G. A. (H. Wilcock), London.
THOMAS, A. D. L. (R. G. W. Pengelly), Plymouth.
THOMAS, A. (S. G. Hillyer), London.
THOMAS, F. G. N. (G. C. Tytheridge), Penzance.
THOMAS, J. H. (A. W. Sarson), London.
THOMAS, R. E. (D. J. Kean), London.
THOMPSON, H. C. (M. F. Andrews), Bristol.
THOMPSON, M. (W. Hare, Jr.), Blackburn.
THORNECROFT, N. C. (B. Kidson), Wolverhampton.
THORLEY, C. (F. Bently), Bury.
THURSD, R. L. (I. G. Aspinall), Blackpool.
TIMMIS, M. J. G. (formerly with E. R. Cowin), Wolverhampton.
TOWERS, C. H. (J. S. Paine), London.
TRIBE, A. (R. G. Davey), London.
TROT, I. B. (A. H. Penney), London.
TURNBULL, I. S. (R. A. Heys), Manchester.

WADDELL, J. MacA. (C. H. Nathan), London.
WADDINGTON, J. R. (W. Taylor), Burnley.
WADE, R. L. (C. L. Hamer), Middlesbrough.
WAGHORN, B. J. (E. Humphrey), London.
WALKER, C. H. (M. S. Walker), Bradford.
WALKER, M. L. (Miss) (P. A. Stutard), London.
WALKER, W. H. C. (A. C. Unthank), London.
WALLACE-TURNER, R. J. A. C. (H. P. Patterson), London.
WALTON, P. (M. C. Dalglish), Truro.
WALTZER, L. (M. I. Gee), London.
WARD, B. K. (W. G. J. Sales), London.
WARD, G. H. R. (R. R. Nash), London.
WARREN, L. J. V. (J. G. Birkett), Watford.
WASANI, S. G. (M. J. Goldburgh), London.
WATERS, A. F. (J. B. Watling), Bristol.
WATERWORTH, M. (E. C. Sage), Rhyl.
WATSON, B. B. C. (W. H. Olivier), London.
WATSON, M. B. (W. R. Dean), Stafford.
WATTS, J. G. (E. Sugden), Leeds.
*WAY, D. H. (J. F. Allen), Crewe.
WEATHERHOGG, W. P. (C. A. Smith), London.
WEIR, C. F. (H. Poole), Newcastle, Staffs.
WELLER, J. D. (W. Yarwood), Harrow.
WESTON, S. J. H. (H. T. Scotthorne), Nottingham.
WHALE, C. (J. B. Allen), Coventry.
WHALEY, S. (Miss) (H. J. Gittos), Birmingham.
WHEELWRIGHT, J. V. (S. Tickle), Birmingham.
WHITE, A. (W. H. E. Dickinson), Altrincham.
WIGG, M. N. (L. A. D. Giles), Crawley.
WIGGINS, F. M. J. (J. F. Ray), Oxford.
WIGRAM, G. C. (L. S. Crowder), Nottingham.
WILD, B. E. (E. G. Davies), Birmingham.
WILDMAN, R. (C. Brooke), Blackpool.
WILKINSON, J. S. (P. S. Lane), London.
WILLIAMS, B. (W. B. Chapman), London.
WILLIAMS, C. R. G. (G. A. Williams), Newport, Mon.

WILLIAMS, V. K. (B. E. Evans), Pontypridd.
WILMOT, J. M. (A. C. Dixon), Sunderland.
WILSON, R. M. (Miss) (S. Thornton), Preston.
WILSON, S. A. L. (C. G. Hayes), London.
WINDER, J. L. (H. Mossop), Barrow-in-Furness.
WISE, L. M. (L. Baker), London.
WOODLIFFE, D. L. (B. Keohane), Newport, Mon.
WREN, A. E. (N. G. Reeves), London.
WRIGHT, J. C. (K. W. Horton), Bolton.
YOUNG, A. G. (J. G. Turner), Huddersfield.

INTERMEDIATE EXAMINATION

Certificates of Merit with Prizes Awarded

First Certificate of Merit, the Institute Prize and the Plender Prize for the Paper on Auditing
POPE, Michael Frederick (J. H. B. Young), Canterbury.

Second Certificate of Merit and the Frederick Whinney Prize

BROWNING, Frank Gifford, London.

Third Certificate of Merit, the Stephens Prize and the Plender Prize for the Paper on Taxation and Cost Accounting

GORDON, David John (R. Mallabar), London.
Fourth Certificate of Merit and the Tom Walton Prize

RICHARDS, Ivor Bryan (N. W. Newman), London.

Fifth Certificate of Merit and the Flight-Lieutenant Dudley Hewitt, D.F.C., Prize
MILLER, Kenneth William (D. W. Kilsby), London.

Sixth Certificate of Merit
THRING, Peter Streatfield (D. C. Burling), London.

Seventh Certificate of Merit
MATHEWS, Roger Gordon (H. F. Mathews), London.

Eighth Certificate of Merit and the Plender Prize for the Paper on Book-keeping and Accounts (Partnership)
AGGARWAL, Jagdish Chandra (A. J. Hebblethwaite), London.

Eighth Certificate of Merit
PRINCE, Colin, Leeds.

Tenth Certificate of Merit and the Plender Prize for the Paper on General Commercial Knowledge

COLLIS, Harvey Jack (P. Lynn), London.

Eleventh Certificate of Merit
ARTHUR, Brian John (L. H. Norman), London.
PAVRI, Farrokh Noshir (J. D. Russell), London.

Thirteenth Certificate of Merit and the Plender Prize for the Paper on Book-keeping and Accounts (Limited Companies)

PARKER, Geoffrey (S. V. Austin), London.
Thirteenth Certificate of Merit and the Plender Prize for the paper on Book-keeping and Accounts (Executorship)

ALEXANDRE, Keith John (W. G. Allen), London.

Fifteenth Certificate of Merit
NEWBERRY, John Frederick (J. E. Ellis), Torquay.

SHEPHERD, John Kenneth (G. B. Mairs), Nottingham.

Seventeenth Certificate of Merit

HAWKINS, Christopher Allan, Epsom.
MIDGLEY, Donald Edward (E. J. Rogers), London.

TAYLOR, Brian John (A. E. Day), Maidstone.

Twentieth Certificate of Merit
GORDON, Thomas Vernon Strachan (L. W. Farrow), London.

RICHARDSON, John (V. F. Brown), London.
ROBERTS, Michael Curig (F. D. M. Lowry), Liverpool.

Twenty-third Certificate of Merit

BASU, Raghabendra Nath, Calcutta.
BATES, William, Nottingham.

Twenty-fifth Certificate of Merit
CLARK, Kenneth Gerald (C. W. Bellamy), London.

DINGLE, Leslie Roy (B. W. Vincent), London.
MAXWELL, Gerald Anthony (K. G. M. Harding), Liverpool.

List of Successful Candidates
(in alphabetical order)

- ABBOTT, A. W. (H. A. Sudell), London.
ADAMS, D. S. (K. Duncan), Liverpool.
ADCOCK, A. P. (S), Leeds.
ADELEKAN, J. O. (S), London.
ADEREMI, B. S. A. (S. J. Lambert), London.
ADEY, J. B. (T. M. Threlfall), Nelson.
*AGGARWAL, J. C. (A. J. Hebblethwaite), London.
AIDIN, M. R. (S. A. Spofforth), Worthing.
ALDINGTON, T. R. (D. A. Jackman), London.
*ALEXANDRE, K. J. (W. G. Allen), London.
ALLEN, B. J. (W. T. Tanser), Leicester.
ALLEN, D. J. (G. R. Freeman), London.
ALLUM, A. R. (T. H. Burdon), Bradford.
AMEY, R. K. (W. G. Foreman), Haywards Heath.
ANDERSON, R. (L. E. Parsons), London.
ANDERSON, W. R. (H. A. Sisson), Newcastle upon Tyne.
ANDREW, R. St. J. (B. D. Barton), London.
ANNESLEY, R. B. (A. S. H. Dicker), Norwich.
ANTHONY, W. D. F. (L. Marks), London.
APLIN, E. C. (F. W. Partridge), Reading.
ARMSTRONG, I. G. (S), Carlisle.
ARORA, S. C. (A. Feldman), London.
*ARTHUR, B. J. (L. H. Norman), London.
ARTHUR, J. B. (R. D. Henderson), London.
ASHTON, M. W. (F. A. Adams), Cardiff.
ATKINSON, G. R. (S. M. Kirkman), Ripon.
AUCOTT, T. H. (G. H. Barnard), London.

BACH, G. D. B. (G. R. Lowe), London.
BADDELEY, J. W. B. (L. H. Andrews), Horsham.
BAILEY, A. A. (F. B. Peach), Wolverhampton.
BAILEY, B. C. (P. H. Palmer), Nottingham.
BAILEY, R. (J. W. Stirrup), Preston.
BALL, D. G. (J. M. S. Whittton), Cambridge.
BALL, E. S. (F. L. Gower), Ipswich.
BALLANCE, P. F. (S. Gothard), Burton-on-Trent.
BALLANTYNE, R. Y. (N. Rutter), Liverpool.
BAMFORD, D. M. (H. B. Vanstone), Manchester.
BARKER, J. R. (G. Anderson), Newcastle-upon-Tyne.
BARKER, N. D. (E. A. Williams-Ashman), London.
BARLOW, R. A. (J. C. Gardiner), London.
BARRATT, J. B. (S), London.
BARRETT, J. (M. D. Booth), Newbury.
BARROW, J. M. (W. P. Hancock), London.
BARROW, J. P. (P. S. Cooper), Liverpool.
BARTLETT, C. J. (C. W. Taylor), Barnstaple.
BASTERFIELD, B. R. (T. A. Nicklin), Birmingham.
*BASU, R. N. (S), Calcutta.
BATCH, C. R. (S), London.
BATES, D. C. (C. E. West), London.
*BATES, W. (S), Nottingham.
BATTERS, R. (A. J. Webster), Manchester.
BEERE, J. H. (S), London.
BEKHOR, D. H. (K. A. Jones), London.
BELK, B. H. (S), Grimsby.
BELSHAW, H. R. (C. G. May), London.
BENN, K. J. F. (B. W. Brixey), London.
BENNETT, D. J. (E. Hewitt), London.
BENNETT, R. A. (N. H. Barnes), London.
BENTON, G. G. (G. C. B. Gidley-Kitchen), London.
BERRIDGE, D. (M. F. Hunter), Belper.
BERY, M. L. (D. Shor), London.
BESTWICK, T. B. (A. Clark), Derby.
BETTS, A. S. (S. W. Ehret), Birmingham.
BICKNELL, C. G. (M. H. J. Thorne), London.
BINGHAM, D. E. (G. R. Turner), Bradford.
BLACKBURN, G. R. (W. H. V. Witcher), Reading.
BLACKLEY, D. Q. L. (R. G. Millard), Taunton.
BOLDERO, M. H. A. (H. J. Impey), Thame.
BOLTON, P. W. C. (G. H. Cobley), London.
BOLTON, T. G. W. (S), London.
BOOTH, R. J. (C. S. Birbeck), Stoke-on-Trent.
BOOTHROYD, B. (C. Connolly), Huddersfield.
BOSE, S. (H. C. Allen), London.
BOSS, J. F. (W. Yarwood), Harrow.
BOURKE, T. F. (S), Enniscorthy.
BOWDEN, D. B. (E. N. Macdonald), Liverpool.
BOWEN, J. H. (E. C. Griffith), Watford.
BOXALL, J. H. (S), London.
BRADSHAW, I. R. (E. L. Hope), Accrington.
BRAID, W. R. (J. S. L. Springbett), London.
BRAITHWAITE, G. D. (H. Reeve), London.

BRIGGS, J. C. (H. Barnett), Mansfield.
BROMLEY, R. A. (W. T. Tanser), Leicester.
BROWN, B. W. (B. J. M. Boys), London.
BROWN, K. B. A. (A. F. Kent), Norwich.
BROWN, R. G. (W. E. Cox), Birmingham.
*BROWNING, F. G. (S), London.
BRUNSKILL, W. A. (E. C. F. Schooling), Carlisle.
BUCKMAN, P. E. (E. F. Trew), London.
BUCKTON, R. M. (H. A. Owen), London.
BULLOCK, F. D. M. (K. B. Bristow), London.
BURCHELL, J. J. B. (S. Gura), London.
BURGESS, C. R. (R. S. Gordon), Manchester.
BUSWELL, K. M. (R. S. Bastow), Havant.
BUTT, B. M. (T. D. Allen), Bristol.

CABLE, J. M. (E. B. Westwood), Birmingham.
CAINES, G. H. (W. Yarwood), Harrow.
CAIRNCROSS, P. (F. Swainston), Newcastle upon Tyne.
CAIRNS, M. A. (G. V. McFarland), Reading.
CAMPBELL, D. (O. P. Haywood), Bolton.
CARA, A. M. (J. B. Yearsley), Manchester.
CARTER, J. D. F. (S), Newcastle-upon-Tyne.
CARTWRIGHT, K. S. (F. H. Barron), York.
CASE, B. E. (J. A. Robinson), St. Helens.
CASSIDY, P. G. (S), London.
CATCHPOLE, E. S. (P. R. Johns), Yeovil.
CEURVORST, G. B. (D. W. Wilson), Margate.
CHALKLEY, C. J. (C. S. Polkinghorne), Chelmsford.
CHAMBERS, R. E. (T. Ashton), Nottingham.
CHANCE, J. F. (A. G. A. Hayman), Luton.
CHILD, R. J. F. (R. McNeil), Hove.
CHISHTY, M. H. (F. E. Barger), London.
CHOWN, C. M. (Miss) (C. H. I. Chown), Ilford.
*CLARK, K. G. (C. W. Bellamy), London.
CLARK, S. J. (Miss) (S), London.
CLARKE, B. (J. A. D. Fox), London.
CLOKE, D. J. (K. Todd), Leicester.
COKER, P. (J. P. Vallance), London.
COLE, G. L. C. (L. A. Fudge), Bath.
COLEMAN, A. B. W. (D. C. Howarth), London.
COLLIER, N. M. (A. T. Reed), London.
COLLING, T. P. (L. H. Mitchell), London.
COLLINS, B. (S), Newcastle upon Tyne.
COLLINSON, R. I. (J. P. Etty), York.
COLLIS, H. J. (P. Lynn), London.
CONNELL, R. D. (R. C. G. Tibbles), London.
CONSTANTINE, M. D. (H. A. Astbury), London.
COOMBER, D. A. (H. G. Daniels), Redhill.
COOMBS, L. B. (G. T. Schofield), London.
COOMER, M. D. L. (J. V. Eastwood), Manchester.
COOPER, J. N. (H. J. Ballam), Ipswich.
COOPER, M. J. (C. P. Twemlow), Crewe.
COOPER, M. N. (R. A. Hubbard), Reading.
COOPER, P. E. (V. R. V. Cooper), London.
COPLEY, W. B. (K. H. Glossop), Sheffield.
CORDWELL, R. A. (S), London.
CORDWELL, R. R. (J. K. Black), London.
CORMIE, D. H. (E. F. Crossley), Manchester.
CORNEY, P. (R. Piercy), Birmingham.
COSTAIN, P. J. (W. B. S. Walker), London.
COTTRELL, R. L. (G. E. S. Twist), Birmingham.
COULTHARD, B. D. (J. W. Donald), Newcastle upon Tyne.
COWIN, D. M. (J. W. Richardson), Stourbridge.
COWTAN, A. R. O. (F. Jones), London.
COX, A. R. (W. G. Allen), London.
COX, E. G. (R. Francis), London.
COX, J. D. (R. A. Palmer), Northampton.
COX, J. S. (G. H. F. Storey), London.
CRANE, R. A. (E. L. Crane), Dorking.
CRESSWELL, D. L. (J. F. Holroyd), Liverpool.
CRESSWELL, R. A. (J. H. Bell), Manchester.
CRESSWELL, S. H. (F. G. Mellersh), London.
CRIPPS, A. T. (S), Aylesbury.
CROFT, J. D. (F. H. C. Christmas), London.
CROOKES, J. B. (C. H. Cockerill), Sheffield.
CROPPER, B. (N. G. Rees), Rochdale.
CROSLAND, J. M. C. (R. V. Garton), Huddersfield.
CULLEN, A. B. (W. N. Cribbin), London.
CUMMING, N. T. (S. V. P. Cornwell), Bristol.
CURTIS, W. J. (W. L. Dunn), Nottingham.

DAIN, J. S. (R. Piercy), Birmingham.
DALLING, B. J. (W. H. Minter), Brighton.
DANE, D. A. S. (H. N. Wylie), London.
DARBY, W. (S), Leeds.
DAS, S. K. (L. Bloch), London.
DAVIES, J. W. C. (A. J. Leach), Hereford.
DAVIES, T. J. (M. R. Davies), Dorking.

DAVIS, M. J. (J. L. Turner), London.
DAWSON, D. H. M. (S), Derby.
DEAKIN, B. (A. P. Humphries), London.
DEAN, W. J. (A. E. Roberts), London.
DEAVILLE, R. M. W. (J. S. F. Hill), Nottingham.
DE BURIATTE, P. E. B. (D. H. Harker), London.
D'Cruz, T. R. (N. N. Pampel), London.
DEEKS, D. J. A. (S), Hastings.
DELLER, B. W. (J. V. Morris), London.
DENSHAM, P. J. (V. S. L. Jordan), Newton Abbot.
DE SILVA, D. S. P. S. (P. R. Rutherford), London.
DESMOND, M. E. (Miss) (R. Richards), London.
DEVANI, K. M. (S. P. Quick), London.
DIGGLE, O. J. (S. L. Forwood), London.
*DINGLE, L. R. (B. W. Vincent), London.
DIXON, A. W. (J. W. Glass), Liverpool.
DOBBS, J. A. V. (F. H. Carter), London.
DODD, M. J. R. (W. P. L. Chappell), Bournemouth.
DODSON, P. H. (H. B. Smith), Kettering.
DOLLY, B. P. (R. A. Stevens), Wolverhampton.
DONERT, P. S. (S. L. Prashker), London.
DORE, B. J. (H. W. Pullan), London.
DORRINGTON, A. (S), London.
DOWNES, J. H. (H. R. V. Riley), Derby.
DRAKE, K. J. (F. H. Taylor), London.
DRY, G. (S), Hull.
DUNCAN, D. R. L. (J. T. Corbett), London.
DUNFORD, P. (Miss) (S. Vary), Reading.
DYSON, M. P. (K. G. Warriner), Leeds.

EAGLE, A. R. (C. A. Brisley), London.
EARLEY, J. F. (M. Gilliat), Manchester.
EASEY, W. A. (S), London.
EASTHILL, H. J. D. (S), London.
EDLER, R. L. (W. W. Mortimer), London.
EGGINS, W. J. (W. C. Morgan), Plymouth.
ELLABY, W. H. (S), London.
ELLIS, A. J. (J. F. Flint), Mansfield.
ELWOOD, M. E. (S), Sheffield.
EMANUEL, P. M. (H. S. Rose), London.
EMIN, S. P. (S), London.
ENGLAND, G. E. R. (S), Bournemouth.
ESSEX, B. D. (J. Harrison), London.
EVANS, D. W. (D. W. Pratt), London.
EVANS, P. A. (H. R. Mole), Taunton.
EVANS, P. J. (S), Gloucester.
EVANS, T. C. (G. H. Brown), London.

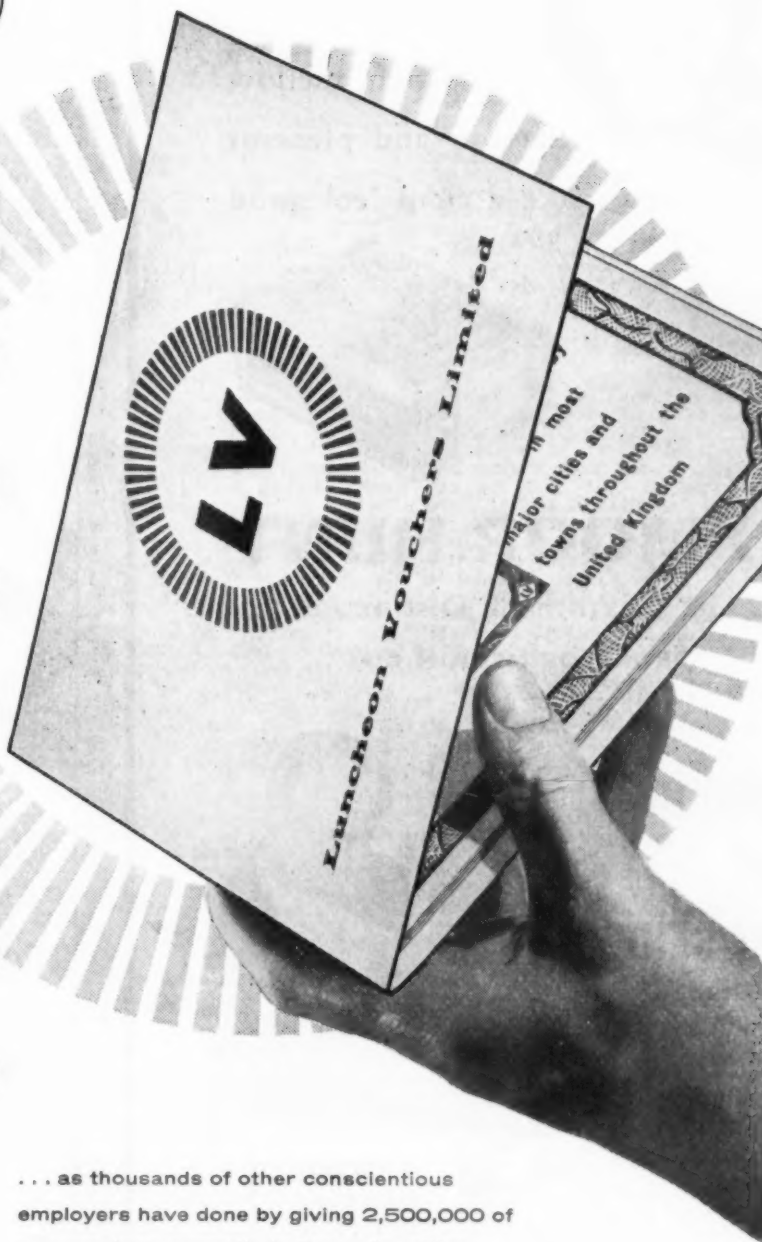
FIELD, J. R. (R. S. Yates), London.
FIELDSEND, D. C. L. (A. S. Bond), Sheffield.
FISHER, B. T. (S), Birmingham.
FISHER, R. E. J. (C. U. Peat), London.
FLOYD, R. E. (A. D. Fincham), London.
FORSYTH, I. J. (P. F. Allday), London.
FOSTER, B. T. E. (C. W. Smith), London.
FOSTER, D. (E. G. Squires), Luton.
FOULDS, D. J. (O. A. J. Ling), Derby.
FOWLER, J. V. (S), Manchester.
FOWLER, R. F. (C. T. N. Banks), Grays.
FRANCIS, P. I. (D. Steele), Bradford.
FREED, H. J. (C. R. Atkinson), London.
FREEGARD, F. E. C. (S), Leeds.
FREEMAN, A. J. (C. R. Atkinson), London.
FREWER, J. E. (F. M. Kellett), Newcastle upon Tyne.
FRY, M. A. (Miss) (J. R. Haygarth), Leeds.
FUNNELL, B. H. (A. D. Booth-Jones), Hastings.

GARDINER, A. P. (R. Jameson), Clacton-on-Sea.
GARDINER, R. J. (A. F. R. Payne), Stroud.
GARDNER, J. E. M. (J. D. Wells), London.
GARDNER, J. N. (C. Chipchase), Middlesbrough.
GARRATT, S. L. (J. B. Worley), London.
GAY, B. (J. E. B. Barron), Winchester.
GEE, D. (C. R. Bellis), Bolton.
GEORGE, B. F. (H. W. Evemy), London.
GHAURI, A. M. (E. Watkinson), Wigan.
GIBBINS, G. C. (T. C. Backshell), London.
GILBEY, J. S. (J. C. Sherrott), Brighton.
GILLESPIE, D. (D. G. Bendall), London.
GLADWIN, J. B. (I. Hewitt), Hull.
GLOUCESTER-TROTMAN, R. J. (W. H. Wright), London.
GOLD, H. (G. Selby), London.
GOLDBERG, J. M. (F. R. Palmer), Chichester.
GOLDTHORPE, K. A. (J. Barrett), Leeds.
GOLLA, E. (S), Cambridge.
GOODGAME, I. W. (S), Oxford.

L.V. TIME



May we send you
a copy of our
booklet, showing
how you and
your staff can
benefit by our
Luncheon
Voucher service

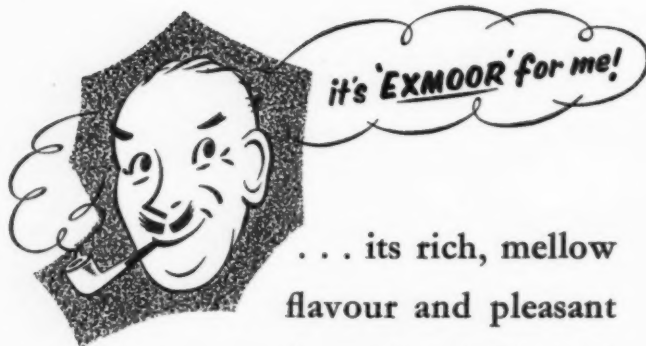


... as thousands of other conscientious
employers have done by giving 2,500,000 of
our vouchers a month, in the major cities
and towns throughout the United Kingdom.



Luncheon Vouchers Limited

Saxone House, 74a Regent Street, London, W.1. REGent 5711



... its rich, mellow
flavour and pleasant
aroma make a chap feel good

8/10 2 oz. snap vac. tin

4/5 ounce packet



EXMOOR HUNT

The Mixture of Distinction

Ex 20 J

BROAD OR MEDIUM CUT

Thinking of investing?

**There's
one very
simple
very
satisfying
answer!**

You want a good rate of interest; you want to know that your money is secure; you want to be able to withdraw without formality at any time . . . So, if you're wise, you'll choose the Halifax, the largest Building Society in the world—outstanding in strength, security and service!



**IF YOU HAVE
£10 to £5,000
INVEST IT IN
THE SECURITY
OF THE
HALIFAX**

HALIFAX BUILDING SOCIETY

HEAD OFFICE - HALIFAX - YORKSHIRE

London Offices: 51 Strand, W.C.2 · 62 Moorgate, E.C.2
136 Kensington High Street, W.8

Consult Telephone Directory for address of nearest office

CATER, BRIGHTWEN & CO. LIMITED

Incorporating
ROGER CUNLIFFE, SONS & CO.

52 CORNHILL, LONDON, E.C.3

TELEPHONE: MINING LANE 1906



**DISCOUNT BROKERS
AND BANKERS**



CAPITAL AND RESERVES £2,750,000

**Bank Acceptances
and first-class
Trade Bills discounted**

ENQUIRIES ARE INVITED

- *GORDON, D. J. (R. Mallabar), London.
 GORDON, I. (N. T. O'Reilly), Carlisle.
 GORDON, R. M. (J. P. Burnett), Southampton.
 *GORDON, T. V. S. (L. W. Farrow), London.
 GOULDING, K. J. (E. Sykes), Manchester.
 GOWANLOCK, J. R. (W. R. Johnson), Manchester.
 GRANT, R. (W. W. Powell), Leeds.
 GREEN, C. (P. B. Settle), Colne.
 GREEN, D. H. (H. H. Fielding), Paignton.
 GREEN, P. A. W. (G. B. Murgatroyd), Manchester.
 GREENFIELD, G. J. (W. L. Danks), Blackheath, Wores.
 GREENMAN, B. J. (H. Young), London.
 GREGORY, E. M. (Miss) (S), Scarborough.
 GRIFFIN, S. A. (N. Lewis), Liverpool.
 GRIFFITHS, B. L. (G. Withnall), Birmingham.
 GRIFFITHS, D. J. P. (E. S. Thorn), London.
 GRIFFITHS, J. H. C. (V. A. Tudball), London.
 GRISLEY, W. E. (S), London.
 GRIST, R. T. (R. Wheeler), Tunbridge Wells.
 GROVER, P. J. (C. M. Calverley), London.
 GROVES, J. B. (C. Mead), Southport.
 GROVES, T. (R. W. Atkin), Sheffield.
 GRUNDY, H. F. (R. K. Green), Manchester.
 GUYTHIER, H. P. (B. P. Gwyther), Cardiff.
 HABBITS, D. A. V. (W. A. Roberts), Southampton.
 HALFORD, H. R. (L. B. Gardner), Dudley.
 HANDS, R. (P. G. Barber), London.
 HANSON, R. S. (C. K. Frost), Leeds.
 HARE, B. M. (E. W. B. Cotterell), Birmingham.
 HARLOW, I. P. (S), Hull.
 HARMAN, N. J. (F. H. C. Christmas), London.
 HARRIMAN, R. (S. R. M. Hatson), Nuneaton.
 HARRIS, J. (S. L. Hirst), London.
 HARRIS, R. I. (M. Bennett), London.
 HARTE, C. S. (D. D. Kidson), Manchester.
 HARTSHORN, A. C. (A. Guild), Coventry.
 HARWOOD, C. A. S. (J. W. Austin), Biggleswade.
 HAVILAND-NYE, A. (D. T. H. Nicholson), London.
 HAW, P. J. (E. R. Longman), Leeds.
 *HAWKINS, C. A. (S), Epsom.
 HAY, J. A. (C. I. Vernon), Crewe.
 HAYES, E. J. (B. R. Maughfling), Hereford.
 HEADLAND, A. T. P. (R. S. Paterson), London.
 HENDERSON, M. J. G. (C. R. K. Mace), London.
 HENSON, P. R. V. (K. R. Gray), London.
 HERBERTS, A. A. (F. Merchant), Nottingham.
 HEWITSON, J. D. (J. Thomason), Manchester.
 HICKS, S. J. (G. S. H. Dicker), Great Yarmouth.
 HILALUDDIN, S. (S. J. Melbourne), London.
 HILLIER, G. L. W. (O. Hill), Bromley.
 HILLMAN, L. (S), Shrewsbury.
 HILTON, J. (S), Manchester.
 HIRSHMAN, G. R. (M. S. Josephs), London.
 HIRST, D. B. A. (J. F. Shearer), London.
 HOARE, P. J. (H. C. Green), London.
 HOBBS, B. W. (G. A. Ascoug), Leeds.
 HODA, K. K. (O. B. T. Bennett), Oxford.
 HODGKINSON, P. R. D. (R. A. Coupland), London.
 HODGSON, E. M. (C. A. Wood), Bridlington.
 HOLDEN, J. B. (F. R. Paine), London.
 HOLLINS, J. A. (N. T. Afford), Nantwich.
 HOLT, R. D. (F. W. Chapman), Nottingham.
 HOPKINS, M. A. (E. Eastwood), Bradford.
 HOPKINSON, A. M. (R. A. Douglas), Manchester.
 HOPTON, J. R. (S), London.
 HORN, T. J. (A. E. Whitcomb), London.
 HORTON, A. G. (A. J. Kirman), Grimsby.
 HOULT, E. W. (J. A. Crisp), Newcastle upon Tyne.
 HOWE, B. J. (H. F. Ware), London.
 HOWELL, S. R. (M. S. Bradford), London.
 HOWLISON, J. C. (R. R. Fieldhouse), Manchester.
 HUDSON, I. W. (C. S. Forsyth), London.
 HUGHES, F. W. (S), London.
 HUGHES, J. G. M. (J. R. Kilpatrick), Cardiff.
 HUGHES, R. W. E. (A. W. Dawson), Preston.
 HUNT, A. N. (G. Connelly), London.
 HUTTON, D. S. D. (D. H. Pratt), London.
 HYDRIE, M. A. M. H. (J. C. S. Edwards), London.
 I'ANSON, P. (T. Thornton), Burnley.
 INGLESANT, D. A. (J. R. Mead), Coventry.
 INWARDS, M. A. (J. H. S. Howard), London.
 IREDALE, J. M. (I. C. Paterson), London.
 IRONS, R. J. M. (A. G. Cheston), London.
 ISHERWOOD, D. B. (G. A. Box), Blackpool.
 JACKSON, A. D. (C. E. Akeroyd), Nottingham.
 JACKSON, F. E. H. (W. F. C. Marwood), London.
 JACKSON, P. N. (H. E. C. Andrew), Leamington Spa.
 JAMES, D. M. (V. R. V. Cooper), London.
 JAMES, J. L. (F. G. B. Leyshon), Merthyr Tydfil.
 JAMES, K. D. (S), Brighton.
 JANE, M. C. (A. Riley), London.
 JANSSENS, P. A. (W. M. Hume), London.
 JAYAKAR, J. A. V. W. (S. E. Clark), Oxford.
 JAYES, A. P. (P. Cozens), Walsall.
 JENVEY, D. R. (R. W. Covington), London.
 JONES, D. (T. B. Blackburn), London.
 JONES, D. M. (C. H. March), Cardiff.
 JONES, H. C. (S), London.
 JONES, K. A. (C. R. Daniel), Cardiff.
 JONES, M. G. (J. B. Marks), London.
 JONES, R. E. (A. N. Chapman), London.
 JONES, S. B. (G. Ford), Bournemouth.
 JOOMA, A. (F. R. Hews), Worthing.
 JOWETT, J. P. (J. S. Cooke), Birmingham.
 KAMAL, A. (M. A. Citroën), London.
 KANESALINGAM, S. (K. V. C. Ridley), London.
 KANTER, C. (J. S. Muir), London.
 KAY, T. N. (J. P. Eddy), York.
 KELK, G. H. (S), Sheffield.
 KELLY, P. D. (C. K. Stansfield), London.
 KEMP, D. A. (R. E. Hawkes), London.
 KENT, D. J. (S), Shrewsbury.
 KENWORTHY, J. (F. C. Davey), Whitstable.
 KERNON, D. M. (H. L. L. Bunker), Bristol.
 KEYMER, K. D. (R. Plummer), London.
 KHAN, M. F. (H. P. Allsop), Birmingham.
 KHAN, R. A. (G. Finlay), London.
 KIBBLEWHITE, D. A. (J. W. Bell), London.
 KING, C. P. (D. Neal), Birmingham.
 KING, D. M. D. (B. H. Larkins), Birmingham.
 KING, I. A. (W. R. Doherty), Birmingham.
 KING, R. E. V. M. (W. E. Parker), London.
 KINSELLA, J. (K. P. Ney), London.
 KIRWAN, E. O. (S), London.
 KNOWLES, G. M. (R. C. C. Rawlins), London.
 KORWASER, M. H. A. (S), London.
 LACEY, M. R. (S), Nottingham.
 LAMBE, B. A. (D. W. Carlisle), London.
 LANCEY, R. K. (E. C. Lancey), Worcester.
 LANGLEY, D. J. (G. C. Hector), Brighton.
 LAWRY, R. V. (E. T. Worsley), Birmingham.
 LEADBEATER, C. C. D. (B. Braham), London.
 LEE, C. V. L. (C. I. Vernon), Crewe.
 LEE, P. J. (S), London.
 LEETE, M. J. H. (W. E. Thompson), Manchester.
 LEIGH, T. R. (F. S. Wills), Lewes.
 LESTER, D. F. (D. G. Turner), London.
 LEVERTON, R. F. (E. F. Wilkins), London.
 LEVINSON, D. A. E. (J. Park), Manchester.
 LEWIS, P. (Miss) (A. H. Marsden), Bristol.
 LINDSEY, K. K. (F. E. Rowland), London.
 LING, C. C. (S. Shemmell), Wolverhampton.
 LIPTHORPE, K. (S), Stockton-on-Tees.
 LITTLEWOOD, R. D. (K. H. Littlewood), Sheffield.
 LIYANAGAMA, R. (A. G. Mortimer), London.
 LLOWARCH, M. E. (R. R. Davis), London.
 LLOYD, B. (W. E. S. Hooper), Southport.
 LLOYD, B. C. (W. H. Westhead), Stafford.
 LLOYD, R. D. (R. Van Baars), London.
 LLOYD, R. F. (F. Jeffery), Derby.
 LOCK, J. E. (E. C. Silver), London.
 LOCKE, P. C. (R. L. Jones), London.
 LOCKYER, B. F. (R. E. Wagstaff), Birmingham.
 LONGMIRE, K. S. P. (J. E. Prosser), Manchester.
 LONSDALE, R. D. (L. W. Crowther), Bolton.
 LOVELL-ROBINSON, R. C. (S. J. Lambert), London.
 LOWDEN, A. G. (E. H. Hurndall), London.
 LOWE, D. J. (B. M. Frazer), Liverpool.
 LUCKETT, J. M. R. (A. R. T. Steele), Liverpool.
 LULHAM, J. R. F. (R. Williams), Bristol.
 LUMBY, W. H. D. (I. Buck), Liverpool.
 MACARIO, M. A. (C. H. S. Lewis), London.
 MACAULAY, G. F. (F. J. Cook), Liverpool.
 MCBAIN, D. (S), Liverpool.
 MCCRETON, M. M. (Miss) (D. T. Bainbridge), Darlington.
 MCFARLAND, R. G. (K. W. Clark), Reading.
 MACKINNON, M. R. (L. A. Anderson), London.
 MACPHERSON, M. J. (B. W. Brixey), London.
 MAHER, P. J. (S), Manchester.
 MALCOLM, N. (T. E. Milligan), Manchester.
 MANNING, B. J. (M. E. Riddelsdel), London.
 MANUEL, P. R. (J. Groome), Chester.
 MAPLE, D. C. (J. M. Davis), Canterbury.
 MAPUS-SMITH, J. (S. A. Mapus-Smith), King's Lynn.
 MARCUS, D. I. (R. D. Houseman), London.
 MARKS, A. I. (T. G. Vice), Leeds.
 MARRIS, A. H. (E. T. Worsley), Birmingham.
 MARSH, S. R. B. (K. B. Bristow), London.
 MASCARENHAS, P. A. R. (C. F. Earnshaw), Nantwich.
 MASON, D. W. (S), Chichester.
 MASON, J. F. J. (G. A. Morgan), Swansea.
 *MATHEWS, R. G. (H. F. Mathews), London.
 MAULE, E. E. (G. G. Gault), Ipswich.
 *MAXWELL, G. A. (K. G. M. Harding), Liverpool.
 MAYO, R. (J. W. D. Cairns), Northampton.
 MBANEFO, A. I. (R. B. N. Knight), Brighton.
 MEHTA, C. D. (C. A. Black), London.
 MERRETT, K. J. (M. L. Grant), London.
 METCALF, D. R. (T. B. Blackburn), London.
 MIAN, Q. (E. S. Smith), London.
 MIDDLETON, D. M. (J. R. Heslop Jnr.), Newcastle upon Tyne.
 *MIDGLEY, D. E. (E. J. Rogers), London.
 *MILLER, K. W. (D. W. Kilsby), London.
 MILLGATE, B. (J. G. Hanwell), Hull.
 MILLS, K. C. (C. H. Duff), London.
 MILN, J. K. (S. J. D. Corsan), Sheffield.
 MITCHELL, C. B. (H. W. Burrell), Liverpool.
 MITCHELL, D. R. G. (R. Mitchell), Preston.
 MITCHELL, E. A. (S), Birmington.
 MITCHELL, V. J. (S), London.
 MOFFATT, B. S. (J. R. N. Travis), Manchester.
 MOFFATT, G. (W. Forshaw), Manchester.
 MOHAMMAD, S. (S), London.
 MOLLET, M. B. MacD. (M. J. Bowman-Vaughan), London.
 MOLYNEUX, R. M. E. (W. A. Hughes), Liverpool.
 MOLYNEUX-BERRY, D. B. (P. J. L. Case), London.
 MONAGHAN, J. F. (F. A. H. Skinner), London.
 MORRIS, F. J. (W. I. Livesey), St. Helens.
 MORRIS, M. J. (J. L. Lichman), London.
 MORRIS, P. C. (G. Talfourd-Cook), Reading.
 MOSS, J. N. (J. D. Green), London.
 MOSS, R. (E. Noble), London.
 MUNRO, N. J. T. (D. B. D'Eath), London.
 MUNSON, A. R. (G. H. Stevenson), London.
 MURRAY, A. R. (Sir H. G. Howitt), London.
 MURRAY, B. A. (S), London.
 MURTUZA, M. (R. I. Pooles), Richmond, Surrey.
 MUSE, M. J. (M. W. Vowles), Bristol.
 NAT THONDAN, A. (R. M. Finlason), London.
 NAVESEY, M. A. (M. I. Makin), London.
 *NEWBERRY, J. F. (J. E. Ellis), Torquay.
 NEWMAN, R. F. (G. A. Taylor), Kettering.
 NIBLETT, M. A. (S), Bristol.
 NICHOLAS, J. M. (R. C. Scrimshaw), Chesterfield.
 NICHOLAS, T. L. (H. A. Beale), London.
 NICOLAOU, A. (S), London.
 NUTT, D. N. (B. H. A. Rowe), Derby.
 OADES, G. (C. R. Townend), Goole.
 O'SHEA, J. (E. W. Spruce), Newcastle upon Tyne.
 OTTAWAY, J. E. (J. P. Vallance), London.
 OURY, G. V. L. (P. A. C. Vincent), London.
 OXLEY, J. B. (S), Rotherham.
 PACKER, J. N. L. (W. G. Wilson), Liverpool.
 *PARKER, G. (S. V. Austin), London.
 PARR, I. D. (D. J. Duthie), London.
 PARTINGTON, J. D. (B. Davis), London.
 *PAVRI, F. N. (J. D. Russell), London.
 PEACOCK, G. R. (E. F. Tattersall), London.
 PEATTIE, D. M. (J. D. Clark), London.
 PERCIVAL, A. L. (H. Percival), Manchester.
 PERRY, C. W. (W. H. Lawson), London.
 PERRY, J. P. L. (W. Saxelby), London.
 PEYTON, P. A. J. (S), London.
 PHILPOTT, P. G. (S. Edgcombe), Plymouth.

- PICKARD, J. A. (S), Leeds.
 PICKARD, J. C. (H. R. Tebb), Leeds.
 PICKERING, G. N. (J. D. W. Marle), Bristol.
 PIERPOINT, A. M. (H. F. Davis), London.
 PINDER, J. (F. A. Brown), Dewsbury.
 PINK, L. M. (C. W. Smees), London.
 PLATT, B. R. B. (E. F. Tattersall), London.
 PLEWS, T. E. (F. D. M. Lowry), Liverpool.
 POOLE-CONNOR, M. (R. W. Lambeth), London.
 POON, S. L. (C. V. Harvey), London.
 POOPALASINGAM, R. (S), London.
 *POPE, M. F. (J. H. B. Young), Canterbury.
 POWELL, J. L. (C. E. Corney), Birmingham.
 PRANGNELL, J. E. (F. T. Snow), London.
 PRICE, F. E. (A. S. Maddison), Birmingham.
 *PRINCE, C. (S), Leeds.
 PUGH, J. A. (S), London.
 PYBUS, R. H. (C. Gildon), Middlesbrough.
- RADFORD, H. J. F. (R. F. Crow), Southampton.
 RADFORD, R. J. M. (J. H. Wilson), London.
 RAFFRAY, A. R. G. (R. A. Masters), London.
 RAJANI, P. M. (S. King), London.
 RANWELL, M. E. (C. Couchman), London.
 RAWCLIFFE, R. C. (Sir T. B. Robson), London.
 RAWSTRON, R. F. (A. Watson), Burnley.
 REAVES, K. D. (F. H. Parkinson), Coventry.
 REDFEARN, I. F. (E. T. G. Terrell), London.
 REDSHAW, C. A. (C. H. King), London.
 REID, J. L. (F. G. Nicholas), Stoke-on-Trent.
 RENWICK, G. O. N. (W. G. Payne), London.
 REYNOLDS, M. S. (C. H. Croft), London.
 RICHARDS, A. H. (S), London.
 *RICHARDS, I. B. (N. W. Newman), London.
 RICHARDSON, J. (Miss) (T. Bromley), Bolton.
 *RICHARDSON, J. (V. F. Brown), London.
 RICHMOND, G. S. (D. O. Johnston), London.
 RIDDIFORD, T. J. (W. R. McBrien), Hastings.
 RIDEHALGH, D. J. (F. W. Lythgoe), Liverpool.
 RIDER, A. G. (S. Valey), Reading.
 RIDER, J. F. (R. C. Blows), Cambridge.
 ROADS, R. W. S. (H. A. Beeny), Bognor Regis.
 ROBERTS, E. W. (A. D. Seward), London.
 *ROBERTS, M. C. (F. D. M. Lowry), Liverpool.
 ROBERTSON, R. D. (R. C. Collins), Margate.
 ROBINSON, D. J. (A. L. H. Ball), Bournemouth.
 ROBINSON, K. A. M. (G. B. Mairs), Nottingham.
 ROBINSON, P. M. W. (A. A. Moller), London.
 ROGERS, N. A. (J. L. Castle), Birmingham.
 ROSE, G. W. (K. W. G. Webb), London.
 ROSE, M. R. (L. Goldwyn), London.
 ROSS, D. P. (D. A. Blofield), London.
 ROSS, J. M. T. (F. B. Proctor), London.
 ROWE-HAM, D. K. (H. B. Cookson), Birmingham.
 ROWLEY, D. R. (R. Piercy), Birmingham.
 ROY, N. C. (P. G. H. Evans), London.
 ROY, P. R. (S), Calcutta.
 RUBIN, L. R. (S), London.
 RULE, A. (S), Liverpool.
 RUSCOE, D. P. (E. G. Gadd), Colwyn Bay.
 RUNTON, D. K. (D. T. Veale), Leeds.
 RUSSELL, C. G. (H. D. Milroy), Southend-on-Sea.
 RYAN, R. H. (E. A. Williams-Ashman), London.
 RYDER, A. C. (S. W. Percival), London.
- SANDERS, J. R. (S), Carlisle.
 SANGER-DAVIES, M. J. (D. J. Hedges), Banbury.
 SANT, J. M. (G. M. Metcalf), Cardiff.
 SARA, G. W. (L. Owen), Birmingham.
 SARGENT, C. J. R. (M. C. Stothert), Bournemouth.
 SAUNDERS, K. H. A. (S), London.
 SAUNDERS, N. J. (D. A. Blake), London.
 SCHMID, R. A. (E. A. Harris), Bristol.
 SCOTT, D. A. (S. M. Duncan), London.
 SEALEY, J. M. (R. O. Garwood), Birmingham.
 SETH, S. K. (B. W. Brewer), London.
 SHAW, I. R. (M. Sheppard), Sheffield.
 SHEEHAN, M. C. (Miss) (N. T. O'Reilly), Carlisle.
 *SHEPHERD, J. K. (G. B. Mairs), Nottingham.
 SHEPPARD, L. R. (S), Hounslow.
 SHIATIS, M. A. (S), London.
 SHUFFLEBOTHOM, M. J. (D. W. Stirling), Birmingham.
 SHULMAN, N. L. (E. A. Charles), London.
 SILVER, R. J. (F. N. Gollop), London.
 SIMMONDS, A. M. T. (S. Brief), London.
 SIMMONS, P. J. (P. W. Makings), London.
- SIMPSON, A. R. (T. M. Carmichael), London.
 SIMS, H. G. (D. R. Smith), Lowestoft.
 SIRCAR, K. (N. N. Pampel), London.
 SITARAM, G. (R. A. Masters), London.
 SKALES, J. A. D. (E. C. Graham), London.
 SMART, D. J. (G. W. Tonks), Wolverhampton.
 SMITH, A. C. (H. A. Snell), Bristol.
 SMITH, G. A. P. (S), London.
 SMITH, G. T. (S), London.
 SMITH, J. C. (D. H. Burton), Wolverhampton.
 SMITH, J. E. (W. Holman), London.
 SMITH, J. S. (H. V. Bryan), London.
 SMITH, M. S. (E. W. Dowdy), London.
 SMITH, P. D. (H. B. T. Wilde), Birmingham.
 SMITH, R. J. (J. C. Smethers), London.
 SMITH, R. S. (O. L. N. Chambers), London.
 SMITH, T. D. (C. W. G. Knight), London.
 SMITH, T. E. (S. Roden), Birmingham.
 SNOW, G. B. (H. Peat), London.
 SOANES, D. C. J. (R. Gordon-Smith), London.
 SOLOMON, R. S. C. (J. A. B. Jones), Swansea.
 SOUTHALL, J. C. (W. Tooth), Coventry.
 SPENCE, P. A. (D. R. Brooks), Manchester.
 SPIBY, G. E. (D. W. Usher), Denton.
 STANTON, L. H. (L. R. Elcombe), London.
 STARBUCK, G. A. (A. Bradshaw), London.
 STEEL, A. E. (D. K. Gourlay), Liverpool.
 STEER, M. D. (W. J. Green), London.
 STEVENSON, B. B. (J. F. Shuttleworth), London.
 STEW, D. J. (J. F. Ray), Oxford.
 STEWART, M. J. K. (N. G. Bascombe), Bristol.
 STONE, H. W. B. (H. L. Simpson), Huddersfield.
 STONE, I. M. (L. E. Brown), Cardiff.
 STONES, B. V. (T. F. Sharp), Manchester.
 STOUT, C. A. (J. R. Slaney), Worksop.
 STRAND, B. G. (S), Aylesbury.
 STRONGE, C. J. (S. P. Wilkins), London.
 SUMMERFIELD, R. T. (S), Cambridge.
 SWAIN, R. S. (A. Bush), Nottingham.
 SWALES, P. N. Q. (J. Taylor), Newcastle upon Tyne.
 SWARC, A. (J. Civval), London.
- TALWAR, J. C. (K. V. C. Ridley), London.
 *TAYLOR, B. J. (A. E. Day), Maidstone.
 TAYLOR, B. W. (W. F. Galloway), Manchester.
 THEIN, M. M. (T. Newman), London.
 THOM, D. (W. A. Clubb), Cardiff.
 THOMAS, D. (J. Bromley), Southampton.
 THOMAS, G. E. B. (F. W. Charles), London.
 THOMAS, G. G. L. (A. C. Evans), Swansea.
 THOMSON, W. (Miss) (A. E. Hook), Newport, Isle of Wight.
 *THRING, P. S. (D. C. Burling), London.
 TICKLER, N. D. W. (K. P. Helm), Hull.
 TILBURY, D. K. (R. C. Methold), Worthing.
 TITFORD, D. S. (D. C. Howarth), London.
 TODD, L. (A. Sadie), London.
 TOMS, D. (A. Rothburn), Manchester.
 TORR, D. A. (R. Beevers), Walsall.
 TOWN, G. V. (E. Eastwood), Bradford.
 TRAYNOR, J. (S), Manchester.
 TRUEMAN, J. H. (W. F. Miles), Birmingham.
 TUN TIN, M. (A. G. Hill), London.
 TURNER, D. D. (J. F. Parrott), London.
 TURNER, E. M. (D. J. Martin), London.
 TURNER, S. R. (J. E. Park), London.
 TURNER, V. A. (E. G. Davies), Birmingham.
 TYRER, P. G. (J. F. T. Nangle), London.
- UDALL, D. V. (L. C. Harman), London.
 UNSWORTH, R. (R. W. Penketh), Liverpool.
 USHER, W. E. B. (R. F. George), London.
 UTTAMOT, V. (J. W. Walkden), Northampton.
- VINE, W. H. (G. A. J. Morris), London.
- WALL, D. L. (S), London.
 WALLACE, M. M. (H. J. H. Sisson), Newcastle upon Tyne.
 WALTON, D. N. (H. A. Edwards), Newcastle upon Tyne.
 WARD, D. J. (S), Manchester.
 WARLAND, E. P. (J. Spence), London.
 WARREN, J. R. E. (J. W. M. Groves), London.
 WATCHORN, I. S. (S), London.
 WEBB, J. K. (R. L. Ellis), Manchester.
 WEBB, M. C. (S), London.
 WEBSTER, R. S. (K. R. Mackenzie), Liverpool.
 WELCH, P. J. (A. P. Roberts), Birmingham.
 WELSH, I. W. (T. A. H. Baynes), Birmingham.
 WEST, M. G. (T. N. Booth), Bury.
 WESTHEAD, J. S. (W. Hare, Junr.), Blackburn.
- WESTMORLAND, J. E. (K. J. Sharp), Carlisle.
 WESTON, D. M. (S), London.
 WHALE, B. J. (W. J. L. Clarke), London.
 WHATMOUGH, M. J. (R. W. West), London.
 WHITE, D. S. (A. S. Watkinson), Blackpool.
 WHITE, R. M. (J. F. Warren), London.
 WHITE, R. J. G. (A. K. Fison), London.
 WHITEHOUSE, J. (J. S. Sayer), Birmingham.
 WHITTAKER, C. D. (P. W. Hort), Bristol.
 WHITTAKER, R. C. (H. B. Clarke), Manchester.
 WHITTENBURY, J. R. (W. B. Henderson), London.
 WHITWELL, W. R. (W. J. E. Ringquist), Stockton-on-Tees.
 WILCOCK, D. (A. C. Blake), London.
 WILKINS, D. E. (S), Oxford.
 WILKINSON, A. J. (G. C. B. Gidley-Kitchin), London.
 WILKINSON, B. E. (A. E. Hepson), Sheffield.
 WILKINSON, E. (S), Huddersfield.
 WILKS, W. M. (P. G. Barber), London.
 WILLIAMS, D. A. (F. A. Bell), London.
 WILLIAMS, P. M. (W. G. Kay), London.
 WILLITS, B. (I. P. Windle), Birmingham.
 WILSON, D. (J. Toner), Liverpool.
 WILSON, S. J. S. (T. S. Wilson), Cardigan.
 WINDOWS, J. B. (H. J. H. Sisson), Newcastle upon Tyne.
 WINTON, J. (R. F. Clark), London.
 WISSETT-WARNER, C. G. (S), London.
 WOOD, M. A. (A. G. Arnfield), Manchester.
 WOOD, M. J. (S. J. Chaytor), Liverpool.
 WOOLF, E. H. (L. Irvine), London.
 WOOLLEY, P. J. (G. C. Peat), London.
 WORBOY, R. C. (R. E. Wagstaff), Hitchin.
 WRIGHT, J. A. (J. P. Young), Sheffield.
- YATES, K. C. (S), Cardiff.
 YELLAND, J. A. (L. C. G. Dauncey), Worcester.
 YEOW, K. Y. (R. E. Barham), London.
 YOU, N. (J. E. Hughes), Liverpool.
 YUEN, D. S. M. (S. Cohen), London.
- ZAUM, B. (E. W. Coleman), London.

PRELIMINARY EXAMINATION

List of Successful Candidates

(in alphabetical order)

ATKINSON, R., Nuneaton.

BEDFORD, R. W., Eastbourne.
 BELSHAW, B. E. M., Nottingham.
 BENNETT, D. S., London.
 BRAVO, G. P., London.
 BROOKER, R. A., Leigh-on-Sea.

CALDERA, H. B., London.
 CARO, S. E., Cardiff.
 COFFE, A. Q., London.
 COLLINS, P., Mold.
 CORRIGAN, J. P., London.
 CRUDEN, C. A., London.

DANZEY, M. E., Hornchurch.
 DHARMASENA, S. H., Tolworth.
 DOUGANS, J. W., Birmingham.
 DOYLE, B. D., Littleover.
 DRAPER, D. G., Atherton.
 DUDGEON, J. E., Leicester.
 DUNN, P. A., Maghull.

ENRIGHT, P. M., Thatcham.

FIRTH, M., Halifax.

GLOVER, A. M., Chelsfield.
 GRAVER, J. M. W., London.
 GRAVES, R., Bradford.
 GREEN, I. R., Blackpool.
 GRESTY, P. J., Sale.

HACKING, D. R., Salford.
 HOSKINS, A. S., Barnet.
 HOWCROFT, D. G. C., Wakefield.
 HOYLE, R., Wallasey.

JOYNSON, D., Warrington.

KAMAL-PASHA, M., Edgware.
 KEITH, J. A., Chigwell.

LOVE, T. H., Seaview, Isle of Wight.

COMMERCIAL UNION

Assurance Co. Ltd.



Chartered Accountants
are invited to apply
for Agency facilities

Head Office
24 Cornhill
London E.C.3

Branch Offices throughout the country

The Largest Banking Business in New Zealand

... with over 380 Branches and Agencies throughout the country. Businessmen, intending settlers and travellers seeking up-to-date information regarding the Dominion are cordially invited to make use of the extensive facilities of this Bank. The Trade and Information Service of the Overseas Department at Head Office is freely at your disposal. Branches also at Melbourne and Sydney (Australia); Suva, Lautoka, Labasa, Ba and Nadi (Fiji), Apia (Samoa).

Bank of New Zealand

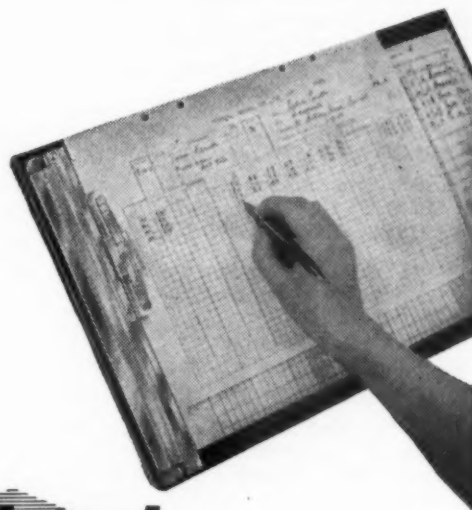
Incorporated with limited liability in New Zealand in 1861

London Main Office: 1 Queen Victoria St., E.C.4
A. R. Frethey, Manager A. E. Abel, Assistant Manager

Piccadilly Circus Office: 54 Regent St., W.1

Head Office: Wellington, New Zealand
R. D. Moore, General Manager

NEW WAGES SYSTEM



national

MULTIPLE POSTING PAYROLL OUTFITS

- All essential wages records completed in ONE writing.
- Time saved—errors reduced.
- Simple to operate.

A complete National Payroll outfit (for up to 18 employees.) can cost as little as £11 3s. 10d.
Attach coupon to your letterheading for full details and name of nearest stockist, by return.

national

**NATIONAL LOOSE LEAF COMPANY LTD.,
31 National House, Cursitor St., London, E.C.4.**

Please send free details of PAYROLL OUTFIT, without obligation, and name of nearest stockist.

NAME (IN BLOCK LETTERS) _____

(Attach to your letterheading)

BARCLAYS BANK LIMITED

The Bank's Affairs

Mr. A. W. Tuke's Address

The Annual General Meeting for the year 1959 of the Stockholders will be held at the Head Office of the Bank, 54 Lombard Street, London, E.C.3, on Wednesday, 4th February, 1959.

Capital Issued £28,526,617: Reserve Fund £21,000,000.

Current Deposit and Other Accounts £1,580,339,733:
(1957—£1,512,567,419):

Investments £505,468,031:
(1957—£492,888,530):

Advances £456,321,193:
(1957—£377,684,012):

Net Profit £3,345,411:
(1957—£2,861,407).

The following is an extract from the address of the Chairman, Mr. Anthony William Tuke, circulated to the Stockholders:—

I wrote to Stockholders in August to tell them of our plans for the increase of the Bank's Ordinary Capital by the issue to them of additional shares arising from the capitalisation of part of our Reserve Fund and also for the offer to the Staff of a further block of their special Stock. The formalities of both operations have now been completed and the final Ordinary dividend of 6 per cent. which we are recommending will be payable on the new stock as well as on the old. During the year events have tended to favour our affairs. Both investment income and the earnings of our money market assets have shown substantial increases which, coupled with larger balances at our disposal and an easement in the necessity of setting aside funds by way of provision, have enabled us to bring down a very satisfactory profit. We have made a transfer from Inner to Published Reserves of an amount which, together with the transfer from this year's profits, will leave the Reserve Fund £1,000,000 higher than it was a year ago.

Rebuilding of Head Office

The rebuilding of our Head Office is now proceeding apace. It is being undertaken in three phases, the first of which covers in the main the site of the former Church and Churchyard of All Hallows, Lombard Street. Here a forest of steel has grown up in the past few weeks and walls and floors are now beginning to appear. The foundation-stone of the new building will be laid on January 15th at a private ceremony, and a model of the building as it will appear when eventually completed will be available

for inspection by any interested Stockholder on the day of the Annual Meeting. We have been subjected to inconvenience in our Head Office accommodation for so many years now that the prospect, even if it is still remote, of occupying an efficient modern office building gives us great encouragement.

We have opened a number of new branches during the year, including one in the West End of London under the management of a member of our women staff, Miss H. M. Harding. This interesting experiment has been hailed in some quarters as a portent, as indeed in a sense it is, but it may also be regarded as a natural and perhaps somewhat belated recognition that the holding of responsible posts in contact with our customers is no longer necessarily an exclusively male preserve.

The Board have recently decided to introduce into the Rules of the Bank's Pension Fund a provision whereby a member of the Staff leaving the Bank before pensionable age can, subject to a qualifying period of service, retain or take with him the benefit accumulated in respect of his past service. Our Pension Fund is non-contributory, and was already most favourable to the members both in respect of the basis of calculation and of certain valuable options available when the pension accrues; the new provision will bring it into full conformity with the most modern practice. It will come into operation as soon as the necessary alteration in the Rules has received the formal approval of the Inland Revenue.

I referred last year to our having come to the rescue of the depositors of a small savings bank in Birmingham known as The Ideal Bank. The result of this action has come up to our best expectations. We have been able to retain 90 per cent of the money deposited with The Ideal Bank, and we have, we hope, made a large number of new friends in the Birmingham area.

The New Cheques Act

The new Cheques Act has now been in operation for more than a year and so far as the banks are concerned there has been no hitch nor difficulty in its working. It has, however, produced an unexpected secondary effect in that many trading concerns have taken advantage of it to discontinue the practice of issuing receipts to their customers, in respect of which their legal obligation has not in fact been altered in any way. The lack of any concerted plans or adequate explanation caused great confusion at first in many instances, but this is gradually being overcome, and in due

course both debtor and creditor will no doubt become accustomed to the new system. We await with interest the introduction of further legislation removing the prohibition of the payment of wages by cheque or by direct transfer to banking accounts, which will, I hope, now find general acceptance provided that it is permissive and not compulsory.

The Board of Directors

Before closing I must mention that we have welcomed to our Board during the year Colonel W. H. Whitbread, whose outstanding position in the brewing trade needs no emphasis from me.

We congratulate our colleague, Mr. R. H. Parker, on his appointment by The Queen as Her Majesty's Lieutenant for the County of Cambridge, and also Sir David Evans Bevan on the Baronetcy conferred upon him in the Birthday Honours.

Finally, I must refer to a sorrowful event, the retirement of Sir Cecil Ellerton from the office of Deputy Chairman at the end of the year. Sir Cecil has been always at my right hand since I became Chairman in 1951 and we had previously been colleagues as General Managers during the war. I know, therefore, what I owe to his loyal friendship and wise counsel over many years. I know also that he would not like me to set it all down in writing, and although he is at this moment at a safe distance, in the Antipodes, I will not incur his displeasure by trying to do so. I am happy to say that he will remain a member of the Board and will continue many of his activities in the City, in which he has performed great service not only to the Bank, but also to the Country.

When they were informed of Sir Cecil's intentions the Board appointed one of our Vice-Chairmen, Mr. John Thomson, to take his place as Deputy Chairman, and they have now appointed as a Vice-Chairman Mr. T. M. Bland, who has recently completed a distinguished two-year period as President of the Institute of Bankers, an office in which he followed after twenty years his father, the late Mr. F. L. Bland. We have thus introduced into the highest offices in the Bank two of a younger generation, on whose wisdom and experience as bankers the Stockholders can rely with complete confidence.

Copies of the Directors' Report containing the full text of the Chairman's Address may be obtained from Barclays Bank, Limited, Room 162, 54 Lombard Street, London, E.C.3.

(Advt.)

MARRIOTT, H. E., Southsea.
MAYO, E. A., Dagenham.
MILLS, C. J., Shrewsbury.
MINES, T. J., Chigwell.
MOORE, J. K., Wembley Park.

NEWSTEAD, A. P. J., Ely.
NOCK, L., Stourbridge.

OAKLEY, E. R., Weston-super-Mare.
ODDY, G. W., Harrogate.
OXLEY, W., Middleton.

PANTING, I. J., Swindon.
PARKINSON, F. A. I., Ashford, Kent.
PASQUILL, J. H., Wetherby.
PERERA, M. R., London.
PERERA, O., London.
POPOOLA, Y. A., Grimsby.

RATTRAY, J. S., Wallington.
REDDY, J. G., London.
ROBERTS, C. K., Bramhall.

SAMMANS, D. J. A., Sheffield.

SAUNDERS, C., Malvern.
SCARES, J. E., Maidenhead.
SUTTON, R. M., Birmingham.

TANSEY, M. J., Sale.
TERRIS, A. H., London.
THOMAS, C., Cheam.
THOMPSON, D. M., Birmingham.

VINNICOMBE, E., Bovey Tracey.

WARD, R., Bromsgrove.
WEEKS, G. F., Bath.
WENHAM, C. J. H., Godalming.
WILLS, M. A., Stafford.
WOOD, R. J., Wallasey.

YOUNG, D. J., London.

68 Candidates passed.
119 Candidates failed.

Deloitte Prize for the year 1958
MCGAUGHEY, Patrick (Shrewsbury) (May,
1958, Preliminary Examination).

GAINSFORD, A. N., London.
GALE, D. E. (L. Sharpe), Nottingham.
GARDNER, D. W. L. (G. W. Pickworth),
London.
GILHAM, C., London.
GILL, D., Burnley.
GOODRUM, I. W. (G. F. Tomlin), Coalville.
GRAY, I. H. (T. G. Rimington), Leicester.

HARDCASTLE, B., Leeds.
HARRIS, D. (L. W. Huggins), Gloucester.
HEATHER, C. (B. Nelson), Liverpool.
HIGGS, F. G. (R. Davis), Swindon.
HILL, D. L., Huddersfield.
HILL, R. T. (J. L. Sanderson), Bury St.
Edmunds.
HOCKLEY, R. W., Cambridge.
HOGGETT, B. F., Blackburn.
HOOKER, J. G., Luton.
HOPE, B. (G. T. Buckenham), Doncaster.
HORDLE, J. G., Bristol.
HUGHES, M. (Miss), London.
HUGHES, M. G. (J. M. Daley), Newport, Mon.
HUSSEY, F. J. (H. L. Layton), London.
HUTTON, T. G. (R. W. Atkin), Sheffield.

JENKINS, S. R., London.
JONES, I. L., Cardiff.
JONES, S. W. H. (D. H. Jones), Swansea.

KEREVAN, A. J. (G. H. Kelsey), Lincoln.
KERSHAW, B. (J. T. Coope), Blackpool.
KETLEY, L., Chelmsford.
KILSHAW, R. F., Bradford.

LAMB, M. E. (A. J. Wilson), London.
LEGG, L. H. J., Cobham.
LESH, J. (W. P. Gunn), London.
LIGHTFOOT, P. C. H. (F. E. Galloway),
Chester.
LISTER, J., Leeds.
LLOYD, K. D., Liverpool.
LOWE, P., Hull.
LUNDIE, D. A., London.

MACKERVOY, I. J. (A. G. Mortimer), London.
MCKOWN, B. (J. Guest), Oldham.
MAHONY, P. B., London.
MALPAS, R. D. (J. T. Coope), Blackpool.
MENZIES, N. S. (G. H. Williams), Manchester.
MORTON, J. (A. R. Chapman), Newcastle upon
Tyne.

NIXON, D. H. (S. H. Wilson), Epsom.

OGDEN, R. (W. E. Thompson), Manchester.
OSBORNE, D. G. (W. A. H. Blinkhorn),
London.
OWUSU, J. D. (L. Green), London.

PATTERSON, R. C., Newcastle upon Tyne.
PAYNE, K. E. C. (B. Grugeon), Bromley.
PLANT, K. F. (R. Bromley), Wolverhampton.
PRICE, B. (T. A. Geoghegan), Bradford.
PURDY, J. D. (L. A. Ward), London.
PURNELL, N. F. J., London.

RAINEY, K. V., London.
RELPH, D. E. F. (C. Thornton), Preston.
RICHARDSON, T., Leeds.
RIGBY, S. (Miss) (K. H. Rich), St. Annes-on-
Sea.
ROBSON, E., Newcastle upon Tyne.
RUSSELL, A. G., London.

SAGE, C. J., Bristol.
SAMPSON, B. D. (W. P. Gill), Lowestoft.
SAUNDERS, B. W., London.
SHARP, J. W. E. (J. Jackson), Leeds.
SHEWRING, J. A., Newport, Mon.
SIMPSON, B., Derby.
SIMSON, K. D., London.
SMITH, D. (A. F. Girling), Doncaster.
SMITH, G. D., Leeds.
STOCKER, D. G. (D. G. Truscott), London.
STREET, J. W. (I. P. G. Ray), Bristol.
STURTIVANT, B. F., Nottingham.

THOMAS, C. E., Liverpool.
THOMAS, C. P. (F. Hargreaves), Swansea.
THORNTON, B., Liverpool.
THORNTON, G. F., Stoke-on-Trent.
TOWELL, R. J., London.
TRIGGS, J. P., London.

The Society of Incorporated Accountants

(In Voluntary Liquidation)

Results of Examinations—November, 1958

The Intermediate and Final examinations of the Society were held in November, 1958, by the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants of Scotland and the Institute of Chartered Accountants in Ireland, in accordance with the schemes of integration. The following candidates for membership of the Institute of Chartered Accountants in England and Wales were successful in the Final and Intermediate examinations as shown below.

FINAL EXAMINATION

ACKLAND, T. F., London.
ADAMS, A. E. (G. A. Shipton), Bristol.
AGYEMAN, A. K. (W. B. H. Vidgeon), Worthing.
ALLCOCK, D. A. (B. Griffiths), Nantwich.
ANDERSON, G. M. (R. Brooks), London.
ANNING, A. J. (Miss D. J. Trenchard), Seaton.
ASHWORTH, R. (A. R. Collinge), Bacup.
ATAUDDIN KHAN, A. B. M., Dacca, E.
Pakistan.

BAXTER, A., Manchester.
BAYNHAM, H. T. (A. W. Horton), Cardiff.
BEAUMONT, F., Manchester.
BECK, B. T. (R. H. Budding), Leicester.
BENNETT, G. C., Cardiff.
BERRY, B. F., Petersfield.
BIRDSALL, M. B., Newcastle upon Tyne.
BLOYE, R. B., London.
BOOTH, H. (P. Slater), Southport.
BOWDEN, K. G. (E. R. Gregory), Bridgwater.
BRADFORD, P. T., Sheffield.
BRADSHAW, J. K. (L. F. David), London.
BRAY, D. (J. Foster), London.
CARPENTER, J. J., London.
CARRUTHERS, W. D., Liverpool.
CATO, G., London.
CATTERALL, A. S., Keighley.

CLARKSON, A. M. (F. M. H. Gardiner), York.
COCKERILL, L. (J. W. Gibson), Hull.
COLE, R. A. (A. C. H. King), London.
COLLINS, I. R. (R. Coward), Sheffield.
COTTON, J. B. (A. Miller), London.
CROWE, R. M., London.

DANIELS, F. W. W., Newcastle upon Tyne.
DARLINGTON, H. T. (A. J. Paul), Redruth.
DAVIES, D. M., London.
DAVIES, N. H. (F. E. Jeffs), Neath.
DEAL, A. R. (C. S. G. Kealey), London.

EDWARDS, B., Manchester.
EDWARDS, R. G., London.
ETHELL, D. (C. Nuttall), Cleveleys.
EVANS, D. W. (W. H. Fox), Northampton.
EVERY, C. T., London.

FARLEY, J. M. (J. W. Kershaw), Bradford.
FAVELL, M. E. (A. F. Palmer), London.
FLORENCE, R. G., London.
FOREMAN, P. (E. Smith), Blackburn.
FORREST, D. (R. Stakes), Batley.
FOSTER, H. M., London.
FRANKLIN, J. K., Cambridge.
FRASER, H., London.
FREEMAN, K. H., Nottingham.

USSHER, J. R. (L. E. V. Masters), Worthing.

VALE, J. (C. N. Bocock), Derby.

WALLIS, I. A., Cambridge.
WARD, J., Bradford.
WATLING, J. (R. C. Fox), Macclesfield.
WEDGE, B. K. (J. C. Flay), Worcester.
WEST, E. A., London.
WEST, J. C. (J. Moore), Southport.
WHITTON, N. F., London.
WILLIAMS, D., Luton.
WILLIAMS, P. J., Coventry.
WILLIAMSON, R. (J. Seal), Manchester.
WILSON, G. M., Sunderland.
WILTSHIRE, C. A. (A. W. C. Lyddon), Plymouth.
WOLVERSON, M. F., Walsall.
WOOD, J. A., London.
WRIGHT, H., Bradford.
WYNNE, D. L. (J. I. Forster), Keswick.

YATES, V. C. (H. G. Smith), London.
YOUNG, J. M. (G. H. Down), Swansea.

INTERMEDIATE EXAMINATION

ADAMS, E. D. (R. A. Chettle), London.
ARNOLD, R. (L. W. Foster), Bristol.
ARRAM, M. (R. A. C. Mordant), London.
BADCOCK, P. G. (R. B. Ogden), London.
BALMFORTH, K., Leeds.
BANGOR-JONES, R. S. (N. C. R. Fleming), Liverpool.
BEARDOW, J. E. (C. R. Booth), Bradford.
BEDDOES, B. W. (N. L. R. Trounce), Manchester.
BEDNALL, W. J., London.
BELBIN, D. R. J. (S. G. Dowden), Bournemouth.
BILDING, L. A. (H. Greenwood), London.
BODYCOTE, J. C. (W. G. A. Russell), Birmingham.
BONHAM, D. B. (G. A. H. Oliver), Aber-gavenny.
BOOTH, G. E. (E. R. White), South Shields.
BORRILL, E. N. (J. L. Penny), Boston.
BOTTOMLEY, T. (F. L. Kilby), Brighouse.
BRADLEY, G. P. (W. R. Yaxley), Shrewsbury.
BRADNUM, A. (Miss) (C. B. G. Turner), London.
*BRAKELL, J. R. (S. H. Cooper), Wallington.
BRANCH, B. E. (C. Couchman), London.
BRETT, J. (W. E. Ellison), Leeds.
BRIDEL, R. A. H. (H. G. Broughton), Guernsey.
BROWN, K. R. (H. C. Mounsey), Liverpool.
BROWN, R. D. (R. G. Bayley), Blackpool.
BURROWES, C. J. (P. H. Plews), London.
BURTON, S. (W. A. Thomas), Hereford.
CANSDALE, J. F. (C. C. Palmer), Colchester.
CAULFIELD-GILES, M. (J. W. Williams), Cardiff.
CHAPMAN, K., London.
COFFELL, J. A. (W. A. Reah), Newcastle upon Tyne.
COLE, M. (F. E. Watson), Leicester.
COLLEDGE, W. J. B. (J. A. Brier), Chesterfield.
CORY, R. C. (C. H. Bryant), London.
CRAIG, R. C., Birmingham.
CROW, R. E. (J. H. Mason), Leeds.

DALY, P. A. (H. N. Wylie), London.
*DASTUR, J. E., Bombay.
DAVIS, G. M. (C. G. Larking), Maidstone.
DILLON, T. (A. A. Phipps), Manchester.
DOUGLASS, E. R. (F. M. H. Gardiner), York.
DUNTON, K., London.

EAYRES, J. A. (N. B. Hart), Brigg.
EDELSTEN, J. F. (E. B. Greet), London.
EVANS, W. A., London.

FALLICK, J. W. (E. Beal), Southampton.
FAY, M. R. (A. E. Norfolk), Hull.
FINCH, D. W. (J. G. Sterry), Gloucester.
FLETCHER, W. C. (S. K. Tubbs), London.
FOSTER, J. C. (G. C. Sagar), Leeds.

FOSTER, M. A. (C. Romer-Lee), London.
FOWLER, M. J. (C. N. Bocock), Derby.
FOX, G., Derby.

GALLIMORE, R. C. L. (H. M. Pritchard), Birmingham.
GALTON, R. J. (M. P. Simmons), Bournemouth.
GAME, R. (R. J. Armstrong), Hitchin.
GARROD, A. W. (C. S. G. Kealey), London.
GARROD, T. J. (G. Carr), London.
GEOGHEGAN, A. T. N. (G. W. Pearson), Bradford.
GLASSBOROW, J. M. (Miss) (J. Carley), Gravesend.
GORMAN, J. M. (C. Romer-Lee), London.

HALL, H. (E. R. White), South Shields.
HAMILTON, R. F. (I. M. Macdonald), London.
HARGREAVES, A. E. (D. E. Wood), Walsall.
HARRIS, B., Cardiff.
HILL-COTTINGHAM, B. E. (S. J. Chubb), London.
HOAR, J. W., London.
HOOKER, N., Liverpool.
HOWLETT, R. L. (E. R. Nicholson), London.
HUTCHINS, J. M. J. (C. B. Silley), Paignton.

IRELAND, J. P., Bristol.
IVISON, D. B. (J. R. Ivison), West Hartlepool.

JAMIESON, N. (H. F. Inkpen), London.
JOHNSON, M. J. P. (J. L. Rose), Derby.
JONES, B. W. (W. E. Reynolds), Newton Abbot.
JONES, W. H. (F. G. Cox), Walsall.

KEEBLE, D. J. (W. G. Rodrigues), London.
KEMP, B. W. (A. W. Pate), Birmingham.
*KNIGHT, R. G. T. (R. L. Owen), Bristol.

LANGTREE, A. (R. Holden), Blackburn.
LAWSON, A. H. (R. C. Larking), Canterbury.
LAYZELL, D. J. (Sir Nicholas Waterhouse), London.

LE FEBVRE, D. (A. H. Leppard), London.
LEWCOCK, M. C. (J. G. W. Cuthbert), London.
LEWIN, D. K. (D. F. Pratten), Swansea.
*LEWIS, D. H. (R. B. Wickenden), Coventry.
LINSKELL, H. H., Sunderland.
LITTLE, S. C. (L. R. Elcombe), London.
LLOYD-JONES, D. T. E. (C. Romer-Lee), London.
LOWTHIAN, J. B. (J. W. Parker), Penrith.
LYMAN, M. L. (J. Hillier), Luton.

MCDONALD, P. (M. B. Solomon), Manchester.
MACKENZIE, R., London.
MAINWARING, J. D. (A. P. L. James), Chesham.
MAKINS, M. J. (V. F. Berry), London.
MASINI, C. A., London.
MERRITT, D. J. (R. Gray), London.
MITRA, A. K., Calcutta.
MONUMENT, L. J. (P. F. Allday), London.
MOORE, R. G. (J. C. Swindells), Norwich.
MOUNTAIN, G. T., Driffeld.
MUIR, B. J. (S. Brown), London.

NEEDS, C. J. (L. W. Foster), Bristol.

NIXON, J. (T. G. Wilson), Stockport.

OLISSOFF, G. W., London.

PARDINGTON, J. G. (H. Newman), London.
*PARKER, K. V., London.
PARR, K. J. (A. S. John), Pontypridd.
PEARCE, J. (G. Talfourd-Cook), Reading.
*PERKINS, G. (P. R. N. Stewart), Nottingham.
PETERS, K. J. (F. Hargreaves), Swansea.
PICKFORD, R. (N. L. R. Trounce), Manchester.
PITCHFORD, D. H. (E. Corscadden), Wakefield.
POTTER, J. A. (H. G. Lawrance), London.
POVEY, A. G., Bristol.
POWDRILL, R. A. F. (R. A. Etheridge), Southampton.
PURKISS, B. J. (D. W. Malpas), Bournemouth.

RAO, S. P., Bombay.
RAWLINSON, C. C. (F. Haughton), Bath.
READ, G. R. N. (J. M. Higgison), Bristol.
REED, H. E. L. (C. T. Aylen), Sunderland.
REID, D. P. (J. E. L. Griffith), Maidenhead.
RHOADES, L. M. (J. Reynolds), Hull.
ROBINSON, A. J. (A. R. King-Farlow), London.
ROBINSON, M. A. (C. E. Garratt), Birmingham.
ROBSON, D. R. (J. H. Whyte), South Shields.
ROWLANDS, P. T. (S. J. Richards), Wolverhampton.

SHEATH, D. A. (I. W. Clemence), Beckenham.
SKINNER, R. A. (J. C. Hill), Plymouth.
SMITH, L. T. J. (W. F. Radford), London.
SMITH, M. G. (D. W. Wilkinson), Preston.
SMITH, T. (T. Jackson), Batley.
SPOKES, D., London.
STANNARD, D. C. (I. Johnson), London.
STEAD, M. N. (W. J. Padgett), Wakefield.
STIRLAND, L. (A. W. McBride), Middlesbrough.
STYLES, B. J. (J. D. Nightingirl), London.
SUCHECKI, J. J. (H. L. Bloom), London.
SWANN, A. (A. L. Braithwaite), Leeds.

TEESDALE, P. (T. B. Quail), Nottingham.
TEMPLAR, J. R. (J. M. Daley), Newport, Mon.
TEMPLETON, K. N. (J. E. Coppock), Carlisle.
THARAMALINGAM, K., London.
THOMSON, A. W. (E. R. White), South Shields.
TINKER, G. B. (F. P. Fearnley), Leeds.

USHER, S. (G. Goodall), York.

WALKER, A. J. (G. L. Fox), London.
WALKER, C. W. (W. H. Sands), Leeds.
WALSH, J. B. (K. J. Hayman), Cardiff.
WALTON, L. J. (H. Brown), Birmingham.
WASLIDGE, B. E. (A. G. Browning), Rotherham.
WEAVER, D. (R. S. Gordon), Liverpool.
WEBB, G. T. (W. C. Jeffs), Leicester.
WEBB, R. A. (E. R. Thompson), Manchester.
WHITE, K. J. (G. F. H. Armson), Brighton.
WITTS, J. E. C. (R. F. Watkins), Northampton.
WOOD, E. I. (M. C. Holgate), Manchester.
WOOD, K. D. (B. Wood), Bradford.
WORTHINGTON, M. H. (A. B. Snow), Stoke-on-Trent.

* Awarded Honours.

SUMMARY OF RESULTS

	Passed	Failed	Total	Completed Final
Intermediate	158	185	343	-
Final				
Parts I and II together	4	13	17†	4
Part I only	99	117	216	6
Part II only	137	151	288	137
South African Special Final ..	13	6	19	13
	253	287	540	160

† In addition 9 candidates who sat for both parts passed in Part I only.

Training and Recruitment

THE SOUTH-EASTERN Society of Chartered Accountants held a dinner at Bournemouth on January 30. The chair was occupied by Mr. A. G. J. Horton-Stephens, F.C.A., President of the South-Eastern Society, and the guests included The Rt. Hon. the Earl of Verulam, M.A., J.P. (Chairman of the British Institute of Management); Mr. W. L. Barrows, LL.D., J.P., F.C.A. (President of the Institute of Chartered Accountants in England and Wales); Mr. J. W. Hardie, M.A. (Headmaster of Canford School); Mr. R. Kuhler (Vice-Chairman of the Bournemouth Building Societies Institute); Mr. I. A. F. Craig, O.B.E., B.A. (an Assistant Secretary of the Institute); and others representative of the professions, commerce and the Inland Revenue.

The Rt. Hon. the Earl of Verulam proposed the toast of the Institute of Chartered Accountants in England and Wales. He said it was significant that members of the accounting profession earned and deserved prestige and authority everywhere. In his visits to many countries throughout the world he had found accountants doing worthwhile and dependable jobs, in big cities and in the remotest areas, with integrity, understanding and expertise.

Mr. W. L. Barrows, LL.D., J.P., F.C.A. (President of the Institute of Chartered Accountants in England and Wales), in response, observed that the South-Eastern Society covered a very wide and scattered geographical area, and arising out of the integration scheme with the Society of Incorporated Accountants it had a substantial influx of new members. At the dinner in Brighton in November many of the new members were unable to be present. He was therefore glad to attend that evening, although in normal years it would be quite impossible for the President of the Institute to attend more than one dinner of any Society.

The integration scheme had undoubtedly been a great success. They had been pleased to welcome on the Council ten nominees from the old Council of the Society, and members would have noticed that they recently appointed an ex-member of the Society Council, Mr. Jackson. He came in as a result of the nomination of the London District Society. Having regard to his experience as Chairman of the Board of Examiners of the Society he would be of great value on the Council.

Lord Verulam, who proposed the toast, had a very large variety of interests, and he did an astonishing amount of public work, especially for industry. Some of the examinees had no doubt seen that at a conference of schoolmasters in Oxford recently he suggested that candidates should have access to books during examinations. As a past examiner of the Institute Mr. Barrows hated to think what might be the result!

He was told that they would like to have an Autumn Meeting in Bournemouth. These conferences had to be arranged a long

way ahead, but no doubt it was an excellent centre, and he suggested that they ask the representatives of the South Eastern District Society to press their claims before the appropriate Committee of the Council.

As a recent Chairman of the Articled Clerks Committee he must tell them of the interest taken by the Council in the whole problem of education and training. A committee had been appointed with wide terms of reference, under the chairmanship of Mr. Parker, to review the whole position: it had a very heavy task. It was vital for the future of the profession to recruit boys and girls of the right calibre. In a scattered and not predominantly industrial area it was difficult to convey to schoolmasters, careers masters and others the prospects in the accountancy profession. Many members of their Society gave addresses and talks when asked, and he hoped that schools would increasingly ask them to provide information to school leavers by way of talks or interviews, so that the Institute got its fair share of the best students.

Mr. H. Stuart Borton, T.D., F.C.A., proposed the toast of the guests.

Mr. J. W. Hardie (headmaster of Canford School), in reply, said that the Institute's syllabus was very good, and safeguarded the standard of the general education of recruits.

What they really needed was the sixth form boy from school, trained in observation, reasoning, responsibility, leadership and administration, with experience not wholly dissimilar from his working life if he became an accountant. He should be recruited at around eighteen but not before he had passed two subjects at advanced level. The university graduate was exempted from two of the five years of articled service. He suggested that senior boys from school might be given the incentive of being similarly exempted from one year.

Mr. R. Kuhler (Vice-Chairman of the Bournemouth Building Societies Institute) proposed the toast of the South Eastern Society. He hoped they would press for legislation to prevent unqualified persons from practising as accountants.

Mr. A. G. J. Horton-Stephens, F.C.A. (President of the South Eastern Society) responded. He said that in the first year following integration it was right and proper that a dinner should be held in Bournemouth—a stronghold of interest and activity in the Society. Bournemouth members had unanimously passed a resolution asking that the 1961 Autumn Meeting should be held there.

Northern Students' Dinner

THE NORTHERN CHARTERED Accountant Students' Society held its annual dinner at Newcastle upon Tyne on January 30. The chair was occupied by the President of the

Students' Society, Colonel R. Mould-Graham, O.B.E., M.C., T.D., D.L., F.C.A.

Mr. Paul Williams, M.P. for Sunderland South, proposed the toast of the Northern Chartered Accountant Students' Society.

He said that the four pillars of the accounting profession were honour, accuracy, judgment, and speed. Honour among thieves; accuracy in supporting the Inland Revenue; judgment in picking those clients who could pay their fees; and speed in collecting the fees!

Mr. K. Patterson, A.C.A. (Chairman of the Students' Society), who replied to the toast, said that since December 31, 1957, membership had risen from 220 to more than 400. This had enabled them to expand their activities and to start functions at Sunderland—fulfilling a long-felt want.

A Sunderland sub-committee had been set up, and in addition there was now a Joint Standing Committee attended by senior members from Carlisle, Newcastle, and North Yorkshire/South Durham.

An excellent lecture programme had been well supported, but Saturday morning classes had not been quite so successful.

Next year there would be two residential courses, one in April and one in September. He urged those present to come along.

Mr. Patterson expressed the view that the only way to keep people within the profession was a rise in fees and a rise in salaries.

Mr. R. S. Morpeth (membership secretary) proposed the toast of the guests.

The Rt. Hon. Lord Westwood, J.P., F.C.C.S., in response, said the modern businessman learnt more and more towards his accountant, and in most big companies in this country there was at least one director with A.C.A. or F.C.A. after his name.

Leeds Students' Dinner

THE LEEDS AND District Chartered Accountant Students' Association held its annual dinner on January 16, under the chairmanship of its President, Mr. T. Bedford, F.C.A. The guests included the Deputy Lord Mayor of Leeds (Councillor Albert King, O.B.E.); Sir Linton Andrews, LL.D. (Chairman of the Press Council and Editor of the *Yorkshire Post*); Mr. Bernard Kenyon (Clerk of the Peace and of the County Council of the West Riding of Yorkshire); The Rev. Canon Christopher B. Sampson, M.A. (Vicar of Leeds); Mr. E. Duncan Taylor, F.C.A., and Mr. V. Walton, F.C.A. (members of the Council of the Institute); and Mr. F. E. Biller (H.M. Inspector of Taxes).

Mr. Bernard Kenyon (Clerk of the Peace and of the West Riding County Council) proposed the toast of the Students' Association. He thought the time would come when the two professions of the law

and accountancy would be not only associated, but linked and joined together. A person with a problem was often passed from the accountant to the solicitor and from the solicitor to the barrister. This was not very efficient, and he thought the problem must be faced in the not too distant future.

Mr. T. Bedford, F.C.A. (President of the Students' Association), in response, said his first reaction to Mr. Kenyon's suggestion was one of pride that the accountancy profession had advanced so far. He was glad that after the first complete year of integration their membership had reached 450. Book learning was not enough: the Students' Association enabled its members to meet and to sharpen their minds on one another.

Mr. J. A. Fergusson (Honorary Secretary of the Students' Association), proposing the toast of the guests, expressed the view that some day a period at a university might be required as part of an accountant's training.

Sir Linton Andrews, LL.D. (Chairman of the Press Council), in response, said that accountancy was essential as a precision tool for industrial management. As compared with journalists, the accountant was fortunate that he dealt with pounds, shillings and pence rather than with human nature. As an old suffragist, he was pleased to see the increasing success of women in accountancy and in other professions where they competed on equal terms with men.

The Deputy Lord Mayor of Leeds (Councillor Albert King) also responded. He considered that their Students' Association was something on the credit side for the younger generation. More young people than ever before were studying in universities and technical colleges and by correspondence courses.

Examinations—May, 1959

DETAILS ARE GIVEN below of the May, 1959, examinations of the Institute and of the Society of Incorporated Accountants (in voluntary liquidation).

The prescribed examination entry form together with the appropriate fee must be received at the Institute not later than the **last day** stated below. **Late entries cannot be accepted.**

Candidates are advised in their own interests to submit their entry forms as soon as possible. Entry forms for ALL examinations may be obtained from the Secretary of the Institute, Moorgate Place, London, E.C.2.

Institute examinations

Preliminary May 12, 13, 14 and 15, 1959
 *Intermediate May 19, 20, 21 and 22, 1959
 Final May 26, 27, 28 and 29, 1959
 (*As this examination commences on the day following a Bank Holiday the first paper will start at 2 p.m. on Tuesday, May 19. The last paper therefore will end at 12.30 p.m. on Friday, May 22.)

LAST DAY FOR RECEIPT OF ENTRY FORMS
 Preliminary examination April 7, 1959
 Intermediate examination April 14, 1959
 Final examination April 21, 1959

The Preliminary examination will be held in London and Manchester. The entry fee is £4 4s. 0d.

The Intermediate and Final examinations will be held in Birmingham, Cardiff, Leeds, Liverpool, London, Manchester and Newcastle upon Tyne. The entry fee for the Intermediate examination is £5 5s. 0d. and for the Final examination £7 7s. 0d.

Society examinations

Intermediate May 13, 14 and 15, 1959
 Final May 12, 13, 14 and 15, 1959

The Intermediate and Final examinations will be held in Birmingham, Belfast, Cardiff, Dublin, Glasgow, Leeds, Liverpool, London, Manchester and Newcastle upon Tyne. The fees for these examinations are as follows:

Intermediate £5 5s. 0d.
 Final, Part I (taken separately) £4 4s. 0d.
 Final, Part II (taken separately) £4 4s. 0d.
 Final, Parts I & II together £7 7s. 0d.

LAST DAY FOR RECEIPT OF ENTRY FORMS

Intermediate and Final examinations

Candidates for membership of the English Institute, April 5, 1959.

(Candidates for membership of the Scottish or Irish Institute, March 20, 1959, on forms provided by the respective Institutes.)

District Societies

Liverpool

THE LIVERPOOL SOCIETY of Chartered Accountants conducted, in conjunction with the Merseyside Productivity Association, a successful residential week-end conference on Management Accounting at the Blossoms Hotel, Chester, from January 23 to 25, 1959. The conference was attended by ninety-six representatives from industrial, commercial and professional firms, including a considerable number of business executives whose normal functions are of a non-accounting nature. The objectives were to expound the latest techniques, to explain to the executive levels what service they could expect from their accountants and to outline to practising and non-practising accountants the sort of information which they could respectively furnish to their clients and directors.

Mr. J. F. Allan, F.C.A., President of the Liverpool Society of Chartered Accountants, took the chair throughout. The opening address was given by Mr. F. S. Walker (Chairman, Lever Brothers Port Sunlight Ltd.) who said that orthodox accounts were only too often inanimate records and it was the job of the accountant to bring them to life by skilful interpretation. As businesses expanded and diversified their activities there was a greater need for

accounting services at all levels and for simple explanations which could be used for policy making and as a guide for future action; the accountant must pre-digest his statements to provide the really significant information so that executives could see at a glance if their aims had been achieved and could at the same time appreciate the reasons for success or failure. In order that the accountant could properly perform his most constructive function he must be given access to all management decisions and intentions; he must be brought into consultations at the highest level, and should be regarded as one of the top management team. Besides feeding information upwards the accountant must be encouraged to pass appropriate information downwards, so that all became intelligently observant. Mr. Walker said that there was a need for the closest liaison between the accounting staff and the production study department, because work study records so often reflected different aspects of information already produced by the accountants, and in order to avoid costly duplication of effort the results of the work of both staffs must be brought together in a related fashion before any conclusions were brought to the attention of the Board.

Four excellent addresses were given, each being followed by informal discussions in syndicates. Mr. C. I. Bostock, M.A., F.C.A., a practising accountant and the holder of the Leverhulme Award for Research in Management Accounting, spoke on "Turning Plans into £.s.d." and Dr. J. M. S. Risk, B.COM., PH.D., C.A., F.C.W.S., A.C.I.S., F.B.I.M., dealt with "Figures for Policy and Control." Both these addresses will, it is hoped, shortly appear in full in the accountancy Press. Mr. D. H. Smith, A.C.A., of Reckitt & Coleman Ltd., Norwich, gave a most interesting "Case History in Management Accounting," followed by a lecture from Mr. R. R. G. Abbots, A.C.I.S., A.C.W.A., of Duport Ltd., Tipton, on "Work Study and the Management Accountant."

The concluding address was given by Mr. H. Macdonald Steward, J.P., M.P., Chairman of the Merseyside Productivity Association.

Blackpool and Fylde Branch

THE ANNUAL GENERAL meeting was held on January 26, preceded by a lunch.

The Honorary Secretary reported that during 1958 membership had increased from 67 to 100, due mainly to integration. Monthly luncheon meetings and the annual dinner had been held. The Branch had been asked to assist in the work connected with the Autumn Meeting of the Institute, to be held in Blackpool from October 15 to 17, 1959.

The following officers and committee were appointed: President, Mr. A. Bleazard; Committee: Mr. B. G. Counsell (Chairman), Mr. R. Bayley, Mr. J. Blane, Mr. A. Bleazard, Mr. G. A. Box, Mr. C. Brooke, Mr. J. C. Bryan, Mr. J. S. Darwell, Mr. F. C. Darwell, Mr. H. Denner, Mr. E. A.



This is your ticket to reduced costs in business...

The "Addressograph" Visible Card Index plate cuts costs, eliminates errors and speeds up the writing of *constantly recurring information* on invoice sets, order sets, statements, payrolls, clock cards, stores requisitions, works orders, inspection records... and a host of other office and works forms.

Is repetitive writing a brake on your business? Does it slow up vital paperwork... make it too costly... too prone to errors? "Addressograph" Simplified Business Systems provide the answer—let us tell you about them.

Addressograph - Multigraph

How can "Addressograph" methods help me with:

- | | |
|--|---|
| <input type="checkbox"/> Invoicing | <input type="checkbox"/> Direct Mail Advertising |
| <input type="checkbox"/> Payroll | <input type="checkbox"/> Production Control |
| <input type="checkbox"/> Control of Orders | <input type="checkbox"/> Paperwork problems generally |
| <input type="checkbox"/> Stock Control | |

*Tick items in which interested

NAME

ADDRESS

AY I

Top People have a habit

Talk to a man who has reached one of the top positions in his calling and, more likely than not, you will find in him a daily reader of THE TIMES—'as long as he can remember.'

Talk to a younger man who has his future firmly in hand and you will find that he too has the same habit.

THE TIMES is written for men who are, or will be, at the top. For men who wish to know the facts of the matter, and then form their own judgment. Thereby they gain the respect of their fellows.

A man's value increases from the day he starts to read THE TIMES

Top People
take **THE TIMES**



E. IRVINE HALLAS, A.C.A.

91 HARBOUR RD., WIBSEY, BRADFORD

INSTITUTE AND SOCIETY EXAMS.

Expert postal and oral tuition, based on 30 years' experience in preparing candidates for these Exams. Pains-taking criticism and marking of work and prompt return of all papers is guaranteed. Moderate Fees. Tuition adapted to meet precise personal needs of each candidate. Copies of over 900 signed letters received from past students will be sent on request.

KING'S DETECTIVES

Confidential Investigations in Civil, Criminal, Commercial, and Personal cases. Surveillance discreetly effected. Internal Larcenies and cases of Fraud and Embezzlement investigated. Financial Inquiries and Investigations in Bankruptcy cases undertaken. Questioned Documents examined. Persons Traced.

W. J. KING'S DETECTIVE BUREAU LTD.

CHANCERY HOUSE, 53/64 CHANCERY LANE, LONDON, WC2

HOLBORN 0343/2860

Telegrams:
Kingtex, Westcent, London

Temporary Binders for **'ACCOUNTANCY'**

Keep the current year's issues neatly and securely together. Each issue instantaneously inserted or removed. When one set is sent away for permanent binding, this binder is ready for a further twelve months' service.



Green binders with the title in gilt lettering are now available.

Price 12s 6d each (by post 13s).

ACCOUNTANCY

23 ESSEX STREET, LONDON, W.C.2

Nickson, Mr. F. S. Nickson, Mr. M. S. Owen, Mr. T. B. Rich, Mr. J. S. Walker, Mr. W. G. Wearden.

Mr. J. D. Eckersley was reappointed Secretary, Mr. J. S. Walker, Honorary Auditor, and Mr. J. C. Bryan, Librarian.

Oxford Chartered Accountants' Group

ON JANUARY 20 Mr. John E. Talbot, F.C.A., gave a talk on aspects of taxation of current interest. After dealing briefly with several recent changes in tax law, including those in the Schedule E expenses rule and in profits tax, and with desirable changes not yet made, he considered the problems which had fallen on the majority of private companies as a consequence of the removal of the Chancellor's "umbrella."

Students' Societies

London

News from the Committee

THE COMMITTEE WILL miss the counsel of Mr. L. C. McCracken, our Chairman last year, who has resigned his membership of the Committee as he will be out of the country for some time. Miss E. A. Hattley has been co-opted to fill the vacancy. We also welcome Mr. J. M. Iredale, appointed by the new branch at Reading as its first representative.

Members are invited to consider nominations for the Committee and resolutions to be put forward at the annual general meeting on April 27. These must be received by the Secretary not later than April 6.

Social

The 1,200 dancers at the Royal Festival Hall had a most enjoyable night on December 19 when the Society held its Christmas Dance.

Speakers' Course

The prizes for the autumn session of the Speakers' Course have been awarded to H. J. Atkinson and Miss E. A. Hattley. The first informal theatre party went to see the Russian film *The Cranes are Flying* and discussed it over supper.

It is hoped to organize a drama group. Any member interested in play-reading and drama is invited to write to Mr. C. D. Salomon at the Library.

Spring Session

The spring programme has been circulated. We are glad to be again holding our lectures in the Oak Hall of the Institute.

Reading Branch

The newly-formed Branch at Reading is rapidly getting into its stride and has distributed to members in its area details of activities for the coming months. A member who is interested in attending meetings in Reading but who has not yet received a branch programme is asked to notify the Library.

Sport

Badminton matches were played against King's College (won 6-3) and Regent Street Polytechnic and South Teddington Club (both games lost 5-4). The Rugby football match against Bristol and Cardiff Students' Societies was lost 13-8.

A member, Mr. L. R. Nahon, has offered to organise golf. He may be contacted through the Library.

Manchester Students' Society

THE ANNUAL DINNER will be held at the Midland Hotel, Manchester, on March 5. Mr. P. F. Carpenter, F.C.A., will respond to the toast of the Institute, which will be proposed by Mr. Leonard F. Behrens, M.COM., C.B.E., J.P.

Portsmouth and Southampton

A HOCKEY MATCH between the Portsmouth and Southampton Students' Societies on February 1 was won by Portsmouth, 5-0.

Forthcoming Events

BIRMINGHAM

Members' Function

March 12.—Annual Dinner. Grand Hotel, at 7 for 7.30 p.m.

Students' Meetings and Function

February 19.—Annual Winter Dance. The Pavilion Suite, The County Ground, Edgbaston.

February 24.—Mock Income Tax Interview, arranged by Mr. Stanley Kitchen, F.C.A. The Library, 36 Cannon Street, at 6 p.m.

March 3.—"Some Basic Problems of Company Law," by Miss M. B. Cairns, LL.M., PH.D., Barrister-at-Law. Joint lecture arranged by the Chartered Institute of Secretaries Students' Society. Chamber of Commerce, at 6.30 p.m.

March 17.—"Income Tax—Partnership Assessments," by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A. Chamber of Commerce, at 6 p.m.

BLACKPOOL

March 13.—Members' annual dinner. Imperial Hotel, at 7 for 7.30 p.m.

BOURNEMOUTH

Students' Meetings

All Students' Meetings will be held at the Grand Hotel, Fir Vale Road, at 6 p.m.

March 3.—"Partnership Dissolutions," by Mr. N. W. Aslett.

March 17.—"Practical Interpretation of Accounts," by Mr. G. Ratcliffe, F.C.A., followed by the annual general meeting.

BRADFORD

February 27.—Members' luncheon meeting. Victoria Hotel.

Students' Meetings

All Students' Meetings are held at the Midland Hotel.

February 19.—"Branch Accounts" and "Consolidated Accounts," by Mr. L. J.

Northcott, F.C.A., at 4.30 and 6.15 p.m.

February 26.—"Profits Tax," by Mr. J. S. Heaton, F.C.A., at 6.15 p.m.

March 5.—"Economics," by Mr. J. Hall, M.SC.(ECON.), B.COM., at 6.15 p.m.

March 12.—"Hotchpot and Advancement," and "Liquidations," by Mr. R. Glynne Williams, F.C.A., F.T.I.L., at 4.30 p.m. and 6.15 p.m.

March 19.—"Stock Exchange," by Mr. F. M. Stephens, A.C.A., at 6.15 p.m.

BRIGHTON

Students' Meetings

Unless otherwise stated all lectures will be given at the Technical College, 7 St. George's Place, at 10.30 a.m.

February 21.—Annual general meeting at 9.30 a.m., followed by lecture on "Profits Tax," by Mr. R. F. W. Sheraton, F.C.A.

February 28.—"Amalgamations, Reconstructions and Absorptions," by Mr. F. E. Hargreaves, F.C.A.

March 7.—"The Powers and Duties of Trustees in Bankruptcy," by Mr. T. H. Parker, the Official Receiver.

March 14.—"Testate and Intestate Succession," by Mr. O. Griffiths, M.A., LL.B., Barrister-at-Law.

March 20.—"The Accounting Provisions of the Companies Act, 1948," and "Taxation—Losses," by Mr. D. Rich, A.C.A. King and Queen Hotel, Marlborough Place, at 5.45 for 6 p.m.

BRISTOL

February 19.—Members' meeting. Assize Courts Hotel, Small Street, at 6.30 p.m.

March 19.—Members' meeting. Assize Courts Hotel, Small Street, at 6.30 p.m.

CAMBRIDGE

February 18.—"Equitable and Statutory Apportionments," by Mr. D. A. Rich, A.C.A. Students' meetings. University Arms Hotel, at 11.30 a.m. and 2.30 p.m.

CARDIFF

February 20.—Annual Dinner of the South Wales and Monmouthshire Society of Chartered Accountants. Park Hotel, at 6.45 for 7.15 p.m.

CHESTER

March 20.—Chester and North Wales Branch annual general meeting and annual dinner. Blossoms Hotel.

COLCHESTER

February 23.—Mock Income Tax Appeal. Members' meeting. Officers' Club, St. John's Green, at 6 p.m.

COVENTRY

Students' Meetings

At the Golden Cross, Hay Lane, at 6 p.m.

February 23.—"Planning your Career in Accountancy," by an Industrial Accountant.

March 23.—"Executorship Problems," by Mr. W. W. Goodsman, A.I.B.

March 9.—"Group Accounts," by Mr. R. Glynne Williams, F.C.A., F.T.I.L.

DERBY**Members' Meeting**

March 10.—Annual general meeting of the Derby Branch of the Nottingham Society

Students' Meetings

March 3.—A Mock Tax Appeal, presented by Mr. E. Morrell, Inspector of Taxes, Derby 1st District. The Clarendon Hotel, at 5.30 p.m.

March 17.—"Bankruptcy Procedure," by Mr. E. L. Howarth, Registrar of the County Court. The Clarendon Hotel, at 5.30 p.m.

EASTBOURNE

February 28.—"Surtax," by Mr. G. W. Davies, F.C.A. Students' meeting. Civil Defence Hall, Furness Road, at 10 a.m.

March 12 to 14.—Residential Management Accounting Conference. Grand Hotel.

EXETER**Students' Meetings**

February 19 and February 26.—Visits to the Commercial Union Assurance Company's punched card installation at Sidwell Street. Meet at their premises at 2.30 p.m. Numbers limited.

March 12.—"Subsidies and Grants available to the Farmer," by Mr. G. C. Hennings, A.R.I.C.S. University of Exeter, at 2.30 p.m.

March 12.—"Income Tax, the basis of assessment and capital allowances," by Mr. C. P. H. Smith, J.P., F.C.A. University of Exeter, Room 23, at 2.30 p.m.

GRIMSBY**Members' Function and Meeting**

March 16.—Luncheon, followed by annual general meeting of Grimsby and North Lincolnshire Branch. Royal Hotel, at 1 p.m.

Students' Meetings

Students' Meetings will be held at the Offices of the Chamber of Commerce, 77 Victoria Street.

February 19.—"Bankruptcy Procedure," by J. W. H. Thorndyke, at 7.30 p.m.

March 12.—"Capital Allowances," and "Surtax Directions on Companies," by Mr. V. S. Hockley, B.COM., C.A., A.A.C.C.A., at 4 p.m. and 7 p.m.

HALIFAX

February 18.—Members' annual dinner. White Swan Hotel.

March 23.—Members' luncheon meeting. Old Cock Hotel, 12.30 p.m.

HASTINGS**Students' Meetings**

All Students' Meetings will be held at the Chatsworth Hotel, Carlisle Parade.

February 21.—"Estate Duty," by Mr. C. A. Williams, A.C.I.S., at 10.45 a.m.

February 28.—"A Company's Balance Sheet from the Investor's Point of View," by Mr. T. O'Brien, at 10.45 a.m.

March 7.—"Partnership Accounts, including Dissolution and the Valuation of Goodwill," by Mr. H. A. Astbury, A.C.A., at 10.45 a.m.

March 14.—"Principles of Taxation," by Mr. G. W. Davies, F.C.A., at 10.15 a.m.

HEREFORD**Students' Meetings**

All Students' Meetings are held at the Hereford College of Further Education, Newton Road, at 7 p.m.

February 19.—"Executorship—Partnership and Apportionments," by Mr. H. L. Smith, LL.B.

February 26.—"Taxation—Partnership and Cession," by Mr. A. J. Leach, F.C.A.

March 5.—"Mechanising Cost Accounts," by Mr. E. A. Barton, A.C.W.A.

March 12.—"Company Accounts—Issue and Forfeiture of Shares—Purchase of Businesses—Profit Prior to Incorporation," by Mr. H. D. J. Haines.

March 19.—"The Principles of Investment," by Mr. G. H. Peters, M.Sc.

HUDDERSFIELD

March 3.—Members' annual dinner. Whiteley's Restaurant.

March 17.—Member's Luncheon meeting.

HULL**Students' Meetings**

Students' Meetings are held in the Regal Room, Ferensway.

February 20.—"Law of Bankruptcy," by Mr. J. F. Myers, M.A., LL.B.

February 26.—"Schedule D Computations" and "Profits Tax," by Mr. L. J. Northcott, F.C.A., at 3.15 p.m. and 5.30 p.m.

March 6.—"International Trade and Finance," by Mr. R. Bainbridge, M.C., B.COM., at 6.15 p.m.

March 13.—Film—"The Elements of Punched Card Accounting" and Talk, by Powers-Samas Accounting Machine Co., at 6.15 p.m.

KING'S LYNN

March 5.—"Some Aspects of Executorship Law and Accounts," by Mr. T. A. Hamilton Baynes, F.C.A. Members' meeting. Globe Hotel.

KINGSTON-UPON-THAMES

March 2.—Meeting of South-West London Discussion Group. The Kingston Hotel, Wood Street, at 6.45 p.m.

LEEDS**Members' Meetings**

March 11.—Visit to Leeds University to see computer, at 4.30 p.m. (Limited number.)

March 20.—Members' luncheon meeting and annual general meeting. Great Northern Hotel, 1 p.m.

Students' Meetings

All meetings are held at the Great Northern Hotel, at 4.30 p.m.

February 25.—"The Audit of a Public Company" and "Profits Tax," by Mr. K. S. Carmichael, A.C.A.

March 4.—"Book-keeping Problems on Executorship" and "The Accounts of a Limited Company," by Mr. R. Glynn Williams, F.C.A.

March 11.—"The Modern Touch," by the British Tabulating Machine Co. Ltd. Film and Talk.

LEICESTER**Members' Meeting**

March 6.—"Control and the Family Company. Estate Duty Valuation since the Finance Act, 1954," by Mr. E. L. Fairweather, O.B.E., LL.B. Grand Hotel, at 6 p.m.

Students' Meetings

February 27.—"Estate Accounts," by Mr. R. J. Carter, B.COM., F.C.A. Bell Hotel, at 6 p.m.

March 13.—"Share Valuations," by Mr. V. S. Hockley, C.A. Bell Hotel, at 6 p.m.

LINCOLN

February 19.—"Newspaper Production and Accounting," Students' meeting. Great Northern Hotel, at 6 p.m.

LIVERPOOL**Students' Meetings**

Students' Meetings are held in the Library at 5 p.m.

February 19.—Competition for the President's Prize.

February 20.—Students' visit to De Havilland Aircraft Co. Ltd., Broughton, Chester, at 2 p.m.

February 26.—"The Administration of a Tax District," by Mr. P. Frearson, H.M. Inspector of Taxes.

March 5.—"The Economics of the Nationalised Industries," by Mr. N. J. Cunningham, B.A.

March 13.—"The Work of the G.P.O.," by Mr. K. P. Thompson, M.P.

March 13—20. Residential Course. Burton Manor.

March 20.—Students' visit to Yorkshire Imperial Metals Ltd., Kirkby, at 2.15 p.m.

LONDON**Members' Meetings**

February 18.—Meeting of Central London Discussion Group. The Lamb and Flag, 33 Rose Street, Covent Garden, W.C.2., at 6.30 p.m.

March 3.—"Work Study in the Office," by Mr. R. Norbury. Members' meeting. Oak Hall of the Institute, Moorgate Place, E.C.2, at 6 p.m.

March 4.—Meeting of Taxation Discussion Group. The Cheshire Cheese, 10 Surrey Street, W.C.2.

March 6.—Joint dinner of Central London and City Discussion Groups. Williamson's Tavern, Bow Lane, E.C.2.

March 11.—Meeting of City Discussion Group. The Cock and Bottle, Laurence Pountney Hill, E.C.4.

March 11.—Meeting of Management Discussion Group. Samson, Clark & Co. Ltd., 57 Mortimer Street, W.1.

March 12.—Meeting of North London Discussion Group. The Mason's Arms, 38 Maddox Street, W.1, at 6 for 6.30 p.m.

March 18.—Meeting of Central London Discussion Group. The Lamb and Flag, 33 Rose Street, Covent Garden, W.C.2.

MANCHESTER**Members' Meeting**

March 3.—Brains Trust. Joint Meeting with

the Association of H.M. Inspectors of Taxes. Chartered Accountants' Hall, 46 Fountain Street, at 6 p.m.

MANCHESTER Students' Meetings

In addition to the students' lectures set out below the following series of lectures have been arranged by the Joint Tuition Committee:

Intermediate lectures (lecturers, Mr. W. A. Eastwood, F.C.W.A., Mr. H. C. Cox, F.C.A., Mr. A. E. Morecroft, B.A.(COM.), A.I.B.), on February 21, 28, March 7 and 14, at the Onward Hall, 207 Deansgate, at 9.30 and 11 a.m.

Final lectures (lecturers, Mr. A. S. Edmondson, A.I.B., Mr. G. J. Netherclift, A.C.A., Mr. J. C. Wood, LL.M.), on February 21, 28, March 7 and 14, at the Chartered Accountants' Hall, 46 Fountain Street, at 9.30 and 11 a.m.

February 26.—"Auditing, with particular reference to Working Papers," by Mr. D. R. Fendick, F.C.A. Chartered Accountants' Hall, 46 Fountain Street, at 6 p.m.

March 5.—Visit to Manchester Assize Courts. Minshull Street, at 1.45 p.m.

March 5.—Students' Annual Dinner. Midland Hotel at 6.30 for 7 p.m.

March 6.—Visit to Manchester Assize Courts. Minshull Street, at 1.45 p.m.

March 12.—"Incomplete Records," by Mr. P. E. Franklin, A.C.A. Chartered Accountants' Hall, 46 Fountain Street, at 6 p.m.

March 19.—"The Manchester Chamber of Commerce," by Mr. W. Worthington, M.B.E. Chartered Accountants' Hall, 46 Fountain Street, at 6 p.m.

NEWCASTLE UPON TYNE Students' Meetings

In addition to the meetings set out below, the following series of Tuition Lectures have been arranged:

Intermediate lectures (lecturers, Mr. R. L. Purvis, LL.B., and Mr. R. Jack), on February 21 and March 7. The Library, Neville Hall, Westgate Road, at 9.30 a.m.

Final lectures (lecturers, Mr. P. Stuart, A.C.A., and Mr. F. Elsdon, B.COMM. on February 28 and March 14. The Library, Neville Hall, Westgate Road, at 9.30 a.m.

February 26.—"The Accountant's Role in Industry," by Mr. K. N. Turnbull, A.C.A. Y.M.C.A., Blackett Street, at 6 p.m.

March 18.—"Investigations," by Mr. W. W. Bigg, F.C.A. Y.M.C.A., Blackett Street, at 6 p.m.

March 19.—"Internal Check," by Mr. W. W. Bigg, F.C.A. Neville Hall, Westgate Road, at 2.15 p.m.

NEWPORT, I.O.W.

March 23.—"Accounting, Form and Presentation of Accounts," by Mr. R. Glynn Williams, F.C.A., F.T.I.I. Students' meeting. Bugle Hotel, at 5.30 p.m.

NORWICH

March 20.—Annual dinner of the East Anglian Society. Samson and Hercules House, at 7 for 7.30 p.m.

NOTTINGHAM Members' Meeting

March 4.—"Accountants and the Solicitors' Accounts Rules," by Mr. S. J. Saunders. Luncheon meeting. Welbeck Hotel, at 12.30 for 1 p.m.

Students' Meetings

Students' Meetings will be held in the Ballroom, the Elite Cinema, Parliament Street. February 18.—"Machine Accounting," by a Representative of The British Tabulating Co. Ltd. At 5 p.m.

February 25.—Visit to an installation of The British Tabulating Machine Co. Ltd.

March 4.—"The Capital of a Company" and "Some Practical Aspects of Goodwill," by Mr. R. J. Carter, B.COMM., F.C.A. At 4 p.m.

March 11.—"Life Insurance," by Mr. T. A. Allan, of the Manufacturers Life Insurance Co. At 5.30 p.m.

March 18.—"Investigations," by Mr. R. S. Waldron, F.C.A. At 5.30 p.m.

OXFORD

Members' Meeting

March 4.—"The Impact of Electronic Computers on the Accounting Profession," by Mr. F. C. de Paula, T.D., F.C.A. The Kemp Green Room, Broad Street, at 6 for 6.30 p.m.

Students' Meetings

February 18.—Tax Brains Trust. Chairman, Mr. B. W. Higgs, Chief Inspector of Taxes, Oxford. The Kemp Restaurant, Broad Street, at 6.30 p.m.

February 26.—"Organisation and Methods," by Mr. G. P. B. Smith, A.C.W.A. Institute of Cost and Works Accountants Lecture. Royal Oxford Hotel, at 7.15 p.m.

March 10.—"The Financial Aspects of European Free Trade and the Common Market," by Mr. C. R. Curtis, M.Sc., PH.D., F.C.I.S. Institute of Cost and Works Accountants meeting. Town Hall, at 7.30 p.m.

PLYMOUTH

March 13.—"Recent Changes in Income Tax and Surtax," by Mr. K. S. Carmichael, A.C.A. Meeting for members, articled clerks and other accountants. Red Lion Hotel, at 6.30 p.m.

March 13.—"Executorship," by Mr. K. S. Carmichael, A.C.A. Students' meeting. Grand Hotel, at 4.15 p.m.

PORTSMOUTH

Students' Meetings

All Students' Meetings will be held at the Conference Room, Electricity House, High Street, Old Portsmouth.

February 26.—Annual general meeting, at 5.45 p.m.

March 5.—Mock Income Tax Appeal, at 6.30 p.m.

March 10.—"Mercantile Law," by Mr. R. D. Penfold, LL.B. At 6.30 p.m.

PRESTON

Students' Meetings

The following series of lectures have been

arranged by the Joint Tuition Committee: Intermediate lectures (lecturers, Mr. J. C. F. Bolton, B.A.(COM.), A.C.A., Mr. H. B. Vanstone, F.C.A., Mr. W. A. Eastwood, F.C.W.A., Mr. H. C. Cox, F.C.A., Mr. A. E. Morecroft, B.A.(COM.), A.I.B.), on February 21 and 28, March 7, 14 and 21, in the Masonic Hall, Saul Street, off Lancaster Road, at 10 and 11.15 a.m.)

Final lectures (lecturers, Mr. G. J. Netherclift, A.C.A., Mr. A. S. Edmondson, A.I.B., Mr. J. C. Wood, LL.M.), on February 21 and 28, March 7, 14 and 21, in the Masonic Hall, Saul Street, off Lancaster Road, at 10 and 11.15 a.m.)

March 3.—Works visit to Walpamur & Co. Ltd.

March 18.—Works visit to Vickers-Armstrong (Engineers) Ltd., Barrow in Furness.

READING

February 27.—Members' Luncheon meeting. Chief guest, Sir John Wolfenden, C.B.E., M.A. Caversham Bridge Hotel, at 12.30 for 1 p.m.

March 20.—"Practical Management Accounting," by Mr. T. G. Rose, M.I.MECH. E., F.I.I.A., M.I.P.E. The Berkshire Club, Blagrove Street, at 6.45 p.m.

RIPON

March 9-12.—Intermediate Students' Residential Course. Grantley Hall, near Ripon.

March 16-19.—Final Students' Residential Course. Grantley Hall, near Ripon.

RYDE

March 2.—"Executorship," by the Manager of the National Provincial Bank Ltd., Trustee Dept., Portsmouth. Students' meeting. Spencers Inn, at 5.30 p.m.

SALISBURY

March 12.—"Company Liquidations," by Mr. B. Rose, F.C.A. Students' meeting. Windover House, St. Ann Street, at 7 p.m.

SHEFFIELD

Members' Meetings and Function

February 19.—Visit to Revenue Offices in Sheffield, at 5.50 p.m., with tea and/or cocktails at the Grand Hotel at 7 p.m.

March 5.—Annual Dinner. Cutlers' Hall at 6.30 for 7 p.m.

March 19.—Visit to Newton Chambers Limited, Thorncliffe, to see computer at work. (Limited numbers.)

Students' Meetings

February 26.—"Group Accounts," by Mr. K. S. Carmichael, A.C.A. Grand Hotel, at 4 p.m.

March 4.—Visit to Stanley Tools (G.B.) Ltd. to see I.B.M. computer.

March 12.—"Schedule D Assessment and Profits Tax," by Mr. H. A. R. J. Wilson, F.C.A. Grand Hotel, at 5.30 p.m.

March 18.—Visit to Guest, Keen & Nettlefolds Ltd., Birmingham, to see Hec.H. Computer.

SOUTHAMPTON Members' Meeting

February 26.—Luncheon meeting. Albany Hotel, Winn Road, at 12.30 for 1 p.m., followed by visit to cosmetic factory of William R. Warner & Company Ltd. at Eastleigh, where tea will be taken. On the return of the party to the Albany Hotel, there will be a talk of professional interest, at 5 p.m. Limited numbers.

Students' Meetings

February 26.—"Tax Losses including Partnership," by Mr. A. J. Turner, A.C.A., A.T.I.I. Royal Hotel, Cumberland Place, at 6.30 p.m.

March 24.—"Memorandum and Articles of Association," by Mr. R. D. Penfold, LL.B. Royal Hotel, Cumberland Place, at 6.30 p.m.

STOCKTON-ON-TEES

March 16.—"Surtax Directions," by Mr. J. S. Heaton, F.C.A. Members' Meeting. Sparks Café, High Street, at 6 p.m.

Students' Meetings

February 24.—"General Principles of English Law" (Intermediate) and "Company Law—including Liquidations" (Final), by Mr. R. D. Penfold, LL.B., Barrister-at-Law. Vane Arms Hotel, at 10 a.m. and 2 p.m.

March 19.—"Auditing," by Mr. W. W. Bigg, F.C.A. Black Lion Hotel, at 6.15 p.m.

STOKE-ON-TRENT

Students' Meeting

March 10.—"Equitable Apportionments," by Mr. K. S. Carmichael, A.C.A. Basford Lawn Tennis Club.

SUNDERLAND

March 18.—"Auditors' Liability for Negligence and Misfeasance," by Mr. W. W. Bigg, F.C.A. Students' meeting. The Museum, Sunderland Technical College, at 2.15 p.m.

SWANSEA

Members' Meetings

March 17.—"The Finance Problems of the Family Company," by Mr. A. R. English, A.C.A. Joint meeting. Mackworth Hotel, at 6.45 p.m.

Students' Meetings

Students' Meetings will be held at Lovell's Cafe, at 5.15 p.m.

February 20.—"The Valuation of Shares based on a Company's Assets," by Mr. P. E. Whitworth, Barrister-at-Law.

February 28.—Annual general meeting.

March 5.—"Costing in the Examinations," by Mr. K. S. Carmichael, A.C.A.

March 20.—"The Verification of Assets," by Mr. Charles Romer-Lee, M.A., F.C.A.

TAUNTON

March 12.—Members' general discussion with H.M. Inspectors of Taxes. County Hall, at 6.15 p.m.

TORQUAY

March 26.—"An Accountant's Approach to Auditing," by Mr. R. H. Passmore, F.C.A. Students' meeting. Y.M.C.A., Castle Circus House, at 2.30 p.m.

TRURO

March 12.—"Recent changes in Income Tax and Surtax," by Mr. K. S. Carmichael, A.C.A. Meeting for members, articled clerks and other accountants. Red Lion Hotel, at 6.30 p.m.

Students' Meeting

March 12.—"Executorship," by Mr. K. S. Carmichael, A.C.A. Red Lion Hotel, at 4.30 p.m.

WOLVERHAMPTON

March 16.—Members' visit to a coal mine.

March 17.—Members' visit to the works of the Wolverhampton Die Casting Company Limited.

Students' Meetings

February 18.—Works visit.

March 4.—"The Change from Manual to Punched Card Accounting," by Mr. W. H. Russell, A.A.C.C.A., A.C.W.A. Victoria Hotel, at 6 p.m.

WORCESTER

Students' Meetings

February 18.—"Consolidated Balance Sheets," by Mr. K. S. Carmichael, A.C.A. The Heraldic Room, Crown Hotel, Broad Street, at 7 p.m.

March 4.—"Practical Points of Tax Computations," by Mr. L. A. Hall, A.C.A. The Heraldic Room, Crown Hotel, Broad Street, at 7 p.m.

YORK

February 20.—Members' first annual dinner. Merchant Taylors' Hall.

March 4.—Members' luncheon meeting.

Personal Notes

Mr. Norman Gibbs, A.C.A., is now treasurer and controller of the Grand Bahama Port Authority Ltd., Freeport, Bahamas.

Mr. Dennis B. M. Fine, A.C.A., C.P.A., announces the association of Mr. Alan G. Fine, A.C.A., C.P.A., as a partner. The practice is being continued under the name of Fine & Fine, Certified Public Accountants and Chartered Accountants, at 3616 Stocker Street, Los Angeles, 8, California, U.S.A.

Messrs. Howle, Sewell & Neep, Chartered Accountants, Birmingham, announce that Mr. H. W. Neep, A.C.A., has retired from the firm. The continuing partner, Mr. H. R. Sewell, A.C.A., has taken into partnership Mr. R. Gaukroger, A.C.A. The firm name is unchanged.

The practices of Messrs. Eggleton & Co. and Messrs. Cowcher, Whitaker & Co. have been combined. The joint practice is being carried on under the style of Eggleton, Cowcher, Whitaker & Co., Chartered Accountants, at 1 and 3 Whitfield Street, Gloucester.

The partnership between Mr. W. H. Warren, F.C.A., and Mr. H. J. Johnson, A.C.A., in the firm of Wm. Harold Warren & Co. has been dissolved by consent. Mr. Warren continues to practise at 120 Green

Lane, Derby, under the name of Wm. Harold Warren & Partners. Mr. Johnson is practising under his own name at 5 Wilson Street, Derby.

Mr. Christopher Gladstone, an articled clerk with Messrs. Annan, Dexter & Co., London, was runner-up in the British Ski Championship held at Zermatt on January 8. The championship was organised by the Kandahar Club, the local branch of the Ski Club of Great Britain, and was open to all British visitors in the district.

Messrs. Thomas May & Co., Chartered Accountants, Leicester, announce that Mr. H. T. Millman, F.C.A., has retired from the firm, of which he had been a member for over fifty years and senior partner since 1912. The practice is being continued under the same style by the remaining partners.

Messrs. Annan, Dexter & Co., Chartered Accountants, Messrs. Impey, Cudworth & Co., Chartered Accountants, and Messrs. Morrish, Walters & Co., Chartered Accountants, announce that they are associated in a joint firm with the name of Annan, Impey, Morrish & Co., at 21 Ironmonger Lane, London, E.C.2, and 48 Calthorpe Road, Edgbaston, Birmingham, 15. The three participating firms are continuing their separate and independent practices.

Messrs. Hunter, Smith & Earle, Chartered Accountants, Trinidad, Venezuela and London, and Messrs. Carman & Bruce, Chartered Accountants, Jamaica, announce that they have entered into an arrangement for mutual representation.

Messrs. Alfred Dobson & Co., Chartered Accountants, Leeds, announce that following the regretted death of Mr. Peverley Bedford, F.C.A., who has been associated with them since 1922, the practice is being continued under the same name by the remaining partners.

Cooper Brothers & Co. and Coopers & Lybrand, Northern Rhodesia, have taken into partnership Mr. F. Noel Foster, A.C.A. They have opened an office at Permanent House, P.O. Box 465, Bancroft, Northern Rhodesia.

Cooper Brothers & Co. and Coopers & Lybrand, Southern Rhodesia, have opened an office at 4/5 Providential Buildings (P.O. Box 311), Allan Wilson Street, Fort Victoria.

Cooper Brothers & Co. and Coopers & Lybrand, West Africa, announce that they have opened an office at Kwame Nkrumah Avenue, P.O. Box No. 55, Accra, Ghana.

Removals

Messrs. A. C. Lucas & Son advise that their address is now Artillery Mansions, 75 Victoria Street, London, S.W.1.

Messrs. John M. Winter & Sons, Chartered Accountants, announce that their offices have been moved to 2 Serjeants' Inn, London, E.C.4.

Messrs. F. Kilby Blain & Co., Chartered Accountants, have removed to 72 Queens Road, Reading, Berks.

Incorporated Accountants' Research Committee Publications

The joint liquidators of the Society offer for sale the following Reprints and Practice Notes published by the Incorporated Accountants' Research Committee at the reduced prices shown (which include postage) on orders received before **March 31, 1959**. Remittances, which must accompany orders, should be sent to the joint liquidators at:

Incorporated Accountants' Hall, Temple Place, Victoria Embankment, London, W.C.2

Reprints	Price	Nos. re- quired	Practice Notes	Price	Nos. re- quired
Socialisation in Great Britain and its effect on the Accountancy Profession. By Sir Frederick Alban	3s. 9d.		Accounting Practices Relating to Prospectuses. By F. Sewell Bray and T. Kenny	2s. 0d.	
Challenges and Dilemmas in Modern Practice. By M. E. Murphy ..	1s. 3d.		The Organisation of an Accountant's Office in the U.S.A. By J. W. Hope ..	1s. 0d.	
An Accounting Progression. By F. Sewell Bray	1s. 3d.		The Finance Act, 1953. By D. O. Bailey ..	1s. 0d.	
The Formal Principles of Public Company Accounting. By F. Sewell Bray ..	1s. 3d.		The Break-Even Chart. By D. R. Bedford Smith	2s. 0d.	
The Effects of the Local Government Act, 1948, and other Recent Legislation on the Finances of Local Authorities. By a Research Working Party	5s. 0d.		Training Staff for an Effective Management Accounting System. By P. G. James	1s. 0d.	
The Theory of Auditing. By E. H. Davison ..	6d.		Shares of No Par Value: The Departmental Committee's Report. By W. T. Baxter and L. C. B. Gower	2s. 0d.	
Auditing Theory. By F. Sewell Bray ..	6d.		Financial Management. By G. S. Nelson ..	1s. 0d.	
Periodical Financial Statements. By the Leicester Research Committee ..	2s. 6d.		Incentives for the Clerical Worker. By G. J. Mills	1s. 0d.	
Accounting Dynamics III. By F. Sewell Bray	1s. 3d.		Statistics and the Accountant. By W. F. Harris	5s. 0d.	
Accounting Dynamics IV. By F. Sewell Bray	1s. 3d.		The Elements of Management Accounting. By C. E. Sutton	2s. 0d.	
A French Emigré Officer's Accounts—II. By R. R. Coomber	1s. 3d.		The Finance Act, 1954. By D. O. Bailey ..	2s. 0d.	
The Measurement of Profits—a Study in Methods. By Raj. K. Nigam	7s. 6d.		Some Suggestions on Simple Accountancy Control Techniques for the Small Industrial Concern. By D. F. Davis ..	2s. 0d.	
A Formal Review of Social Accounting. By F. Sewell Bray	1s. 3d.		Towards a Standard Procedure for Agricultural Accounting. By S. V. P. Cornwell	1s. 0d.	
Pioneers in English Book-keeping Texts—Hugh Oldcastle and John Mellis. By R. R. Coomber	1s. 3d.		Making the Best Use of the Accountant. By W. G. A. Russell	1s. 0d.	
			The Valuation of Stock and Work in Progress. By W. G. A. Russell	2s. 0d.	
Practice Notes	Price	Nos. re- quired	The Changing Pattern of Audit Practice. By H. C. Layton	3s. 9d.	
The Appointment and Remuneration of Auditors under the Companies Act, 1948. By the Incorporated Accountants' Research Committee	1s. 0d.				
Budgetary and Financial Control. By W. F. Edwards	1s. 0d.		A Current Digest of the Law affecting Accountancy		
The Organisation and Accounts of Companies Limited by Guarantee. By R. R. Coomber	1s. 0d.		First issue. June 1–August 31, 1953 ..	2s. 6d.	
Reflections on Standard Costing. By D. R. Bedford Smith	1s. 0d.		Second issue. September 1–December 31, 1953	2s. 6d.	
			Third issue. January 1–April 30, 1954 ..	2s. 6d.	
			Fourth issue. May 1–August 31, 1954 ..	2s. 6d.	
			Fifth issue. September 1–December 31, 1954	2s. 6d.	
			Sixth issue. January 1–April 30, 1955 ..	2s. 6d.	

Please send me the booklets indicated above. I enclose remittance £ . s. d.

NAME..... ADDRESS.....

(Block letters, please)

Classified Advertisements

Advertisements under "Appointments Vacant", "Practices & Partnerships", "Appointments Required", "Articled Clerks"—eightpence per word. Under "Official Notices", "Miscellaneous" and other headings—one shilling per word. Box numbers—five shillings extra (including the five words in the advertisement). Semi-displayed panels—£4 per column inch. All terms prepaid. Replies to Box Number advertisements should be addressed Box No. . . . c/o ACCOUNTANCY, 23 Essex Street, London, W.C.2, unless otherwise stated. It is requested that the Box Number be also placed at the bottom left-hand corner of the envelope.

APPOINTMENTS REGISTER OF THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES

Employers who have vacancies for members on their staffs and also members seeking new appointments are invited to make use of the facilities provided by the Institute's Appointments Register. No fees are payable. All enquiries should be addressed to the Appointments Officer, Moorgate Place, London, E.C.2. Tel. Monarch 8506.

APPOINTMENTS VACANT

CAMEROONS DEVELOPMENT CORPORATION SENIOR ACCOUNTANT

Applications are invited for the above appointment in the Southern Cameroons, British West Africa. Consolidated salary range initially £1,325 to £1,625 according to age and experience, but the appointment carries definite prospects of promotion to Deputy Chief Accountant within the salary range £1,725 to £1,975 after approximately eighteen months' satisfactory service.

The Corporation, which was incorporated in 1947 under a Nigerian Ordinance, is entrusted with the development of plantations over a wide area of the Southern Cameroons and produces Bananas, Rubber, Palm Oil and Palm Kernels, and Cocoa, and is developing a Tea Estate. In addition, the Corporation is responsible for wharf operations at Tiko and Bota, together with the necessary sea and river going craft, maintains a fleet of some 300 motor transport vehicles, has a plantation network of narrow gauge railway, has established medical and welfare services throughout the plantations, and operates mechanical and electrical workshops and seamlines.

The successful candidate, who should be a Chartered, Certified or Incorporated Accountant, aged 35 years or over with considerable experience in commercial accounting, budgetary control and standard costs, etc., will be responsible for the supervision of capital and revenue expenditure budgets, the appraisal of capital expenditure schemes, and for advising on general financial matters.

Applications should be addressed to RUBBER & MINING AGENCIES LTD., 52 Leadenhall Street, London, E.C.3, from whom may be obtained full details of the conditions of service, free passages, outfit allowance, free housing, medical attention, provident fund, etc.

GOVERNMENT OF THE FEDERATION OF RHODESIA AND NYASALAND VACANCIES: ASSESSORS DEPARTMENT OF TAXES

Vacancies exist in the Department of Taxes for male Assessors who hold one of the following qualifications:

B.Com., C.A., A.C.A., A.S.A.A., A.A.C.C.A., A.C.I.S., A.C.C.S.

Successful applicants will be appointed as Tax Officers at commencing salaries of £640 p.a. or more, dependent on their initial qualifications and experience. Chartered or Incorporated Accountants can expect to proceed to £1,250 per annum as Grade II Assessors one year after appointment; Certified Accountants (A.A.C.C.A.) can proceed to this salary in not more than two years; while holders of a B.Com., A.C.I.S. or A.C.C.S. can expect to reach this salary in not more than three years. The salary scale for Assessors Grade II covers the range £1,250-£1,550 by increments of £50 per annum. Senior posts within the range £1,600-£3,050 are sufficiently numerous to ensure good career prospects. These posts are normally filled by internal promotion from within the Department.

Further details are obtainable from the Secretary (R), RHODESIA HOUSE, 429 Strand London, W.C.2.

UNIVERSITY COLLEGE OF RHODESIA AND NYASALAND

Applications are invited from professionally qualified persons for the post of ASSISTANT ACCOUNTANT. Salary scale: £1,400 × £50—£1,700 p.a. Superannuation Scheme. Passages to Salisbury paid for appointee, wife and dependent children, with allowance for transport of effects. Unfurnished accommodation at rent up to 15 per cent. of salary.

Detailed applications (6 copies) naming 3 referees as soon as possible to Secretary, INTER-UNIVERSITY COUNCIL FOR HIGHER EDUCATION OVERSEAS, 29 Woburn Square, London, W.C.1, from whom further particulars may be obtained.

ACCOUNTANCY Staff from Articled to top salaried ACCOUNTING & TAXATION APPTS. NO FEES TO STAFF. CONDUIT ST. BUREAU (GRO: 7080) 4 Conduit St., Oxford Circus, W.1. Open daily 8.30 to 7.30: Sats. 9-1.

AUDIT CLERKS. Many vacancies waiting for Senior, Semi-senior or Junior. Call BOOTH'S AGENCY, 80 Coleman St., Moorgate, E.C.2.

Many Excellent Vacancies

available for:-

Newly Qualified Chartered Accountants

Experienced Senior Audit Staff

Taxation Specialists and assistants

Semi-Senior and Junior Audit staff at attractive progressive salaries

apply

**TAYLOR
STAFF BUREAU**

S. H. OLIVE, F.A.C.C.A.

49 QUEEN VICTORIA STREET,
LONDON, E.C.4

Tel. City 2781

Staff Specialists to the Profession

Established over 20 years. NO FEES TO STAFF
(Licensed annually by the Corporation of London)

ARABIAN DESERT. American Oil Company requires CHARTERED ACCOUNTANT. Salary £2,000 upwards with free food, quarters, etc. At present camp conditions, few amenities and no family accommodation. 18 month tours, good leave, first-class passages, etc. Apply, quoting A. 63/UK-13, to O.T.S., 5 Weldon Crescent, Harrow, Middlesex.

CHARTERED ACCOUNTANT. A vacancy has arisen on the established overseas staff of a British Company with extensive commercial interests, for a Chartered Accountant about 28-30 years, able to manage wide financial aspects of the business, also with personality to undertake negotiations on behalf of the Company in the territory concerned. Terms and conditions of service include provision of furnished accommodation, liberal paid home and local leave, outfit allowances, a pension scheme and provident fund; help is given with school fees and remuneration is based entirely on merit. Box No. 188, c/o ACCOUNTANCY.

CHARTERED Accountants in Nigera require qualified Accountants. Tours of 18 months with generous leave on full salary. Fully furnished quarters provided. Provident fund. Initial kit allowance £60. Low income tax. Passage paid, including family. Commencing salary for two years' experience since qualifying £1,500 per annum, or according to experience, with minimum annual bonus of £250. Apply with full particulars to Box No. 492, DORLAND ADVERTISING LTD., 18-20 Regent Street, S.W.1.

ACCOUNTANCY STAFF AUDIT AND TAXATION ASSISTANTS — ALL GRADES COMMERCIAL ACCOUNTANTS COST AND WORKS ACCOUNTANTS

EMPLOYERS ARE OFFERED A TIME SAVING, PROMPT, STAFF RECRUITMENT SERVICE OPERATED BY AN EFFICIENT PERSONNEL SELECTION SYSTEM, AND SUPPORTED BY A LARGE AND CONSTANTLY AUGMENTED REGISTER. (OUR FEES ARE REASONABLE AND COMPARE FAVOURABLY WITH ADVERTISING COSTS)

EMPLOYEES ARE OFFERED A CONFIDENTIAL "PERSONAL INTEREST" METHOD OF SECURING NEW EMPLOYMENT THROUGH APPROPRIATE INTRODUCTIONS. (WE CHARGE NO FEES TO APPLICANTS)

MERVYN HUGHES & COMPANY

(ACCOUNTANCY EMPLOYMENT SPECIALISTS)
(COL. H. D. MUGGERIDGE. O.B.E. A. B. HARRISON. D. P. WILLIS)

11 WARDOUR STREET, PICCADILLY, W.1.
GERRARD 0179/0966 OPEN 9.30 A.M. TO 6.30 P.M. SATS. TO 1 P.M.

STOP before you take that next step forward in your career. What sort of position do you need? A little

CAUTION now may affect your whole future. If you feel in need of skilled assistance you should

GO to the profession's employment specialists who will leave no stone unturned to suit your requirements.

The widest selection of positions in London is backed by the twenty years' professional experience of our Director and Manager.

GRESHAM ACCOUNTANTS' REGISTER LTD.
(The Profession's Employment Specialists)

79 Gresham Street (1st Floor), E.C.2. MONarch 9416



CHARTERED ACCOUNTANT required in medium-sized practice (staff around 40) in London (City). Excellent opening for an ambitious man capable of undertaking responsible duties. Salary according to qualifications and experience. Write fully to Box 189, c/o ACCOUNTANCY.

CHARTERED ACCOUNTANTS have vacancy in Douglas, Isle of Man; interesting position, salary according to ability and experience, young qualified man preferred. Write giving full particulars to Box No. 184, c/o ACCOUNTANCY.

COOPER, COZENS & CO., Chartered Accountants, of 8/9 East Stockwell Street, Colchester, Essex, have vacancies for junior and semi-senior clerks. Please apply in writing, giving usual details in full.

FEDERAL GOVERNMENT OF NIGERIA require following **QUALIFIED ACCOUNTANCY STAFF** on contract for tour of 12-24 months in first instance, with gratuity at rate of £150 a year. Free passages for officer and wife. Assistance towards children's passages and grant up to £150 annually towards maintenance in U.K. Liberal leave on full salary. Free medical attention. Partly furnished accommodation at low rental.

PRINCIPAL ACCOUNTANTS FOR TREASURY (M3A/44960/AD) and POLICE DEPARTMENT (M3A/44939/AD). Salary (including Inducement Addition) £2,244 a year. Candidates must be over 35, hold a recognised accountancy qualification and have wide accounting experience. Must be competent to assume responsibility for organisation and efficient running of an Accounting Division.

ACCOUNTANTS (M3A/44929/AD). Salary according to age and experience in scale (including Inducement Addition) £1,290 rising to £1,962 a year. Outfit allowance £60. Candidates should hold recognised accountancy qualification.

Write to the **CROWN AGENTS**, 4 Millbank, London, S.W.1. State age, name in block letters, full qualifications and experience and quote reference number shown against post applied for.

INTERNATIONAL FIRM OF ACCOUNTANTS wishes to engage Chartered Accountant for its Milan Office. Preference will be given to applicants with a knowledge of Italian but others applying should have at least some knowledge of French. Initial salary and future prospects good for right man. Applications with full particulars to Box No. 186, c/o ACCOUNTANCY.

INTERNATIONAL FIRM OF ACCOUNTANTS wishes to engage Chartered Accountant with some knowledge of French for its Paris Office. Initial salary and future prospects good for right man. Applications with full particulars to Box No. 185, c/o ACCOUNTANCY.

PEAT, MARWICK, MITCHELL & CO., 11 Ironmonger Lane, London, E.C.2, have vacancies in their London office for young Chartered Accountants who wish to widen their experience in all branches of accountancy. Excellent prospects, good starting salary, pension scheme. Opportunities for service overseas. Applications to 11 Ironmonger Lane, E.C.2.

LEICESTER PERMANENT BUILDING SOCIETY ASSISTANT GENERAL MANAGER

The Society, with Assets exceeding £50 million, invites applications for this executive appointment at its Head Office in Leicester

This position requires a man with personality and initiative who will be required to assist in the supervision and future development of the Branch Office and Branch Agency organisation, and maintain touch with the Society's various professional connections.

The successful applicant will also be required to take his part in the general administration and shaping of the Society's financial policy.

Building Society experience, whilst an advantage, is not essential, and applicants with professional qualifications and commercial, financial or accountancy experience are invited to apply for the position.

Age should be between 33 and 38.

The salary will be according to age and experience but will be not less than £2,000 per annum.

There is an excellent contributory Pension Scheme in operation.

Applications should be received by February 28, 1959, and should be addressed to:

J. G. Hall, A.C.A., General Manager, Leicester Permanent Building Society
Welford House, Welford Place, Leicester

marked 'PRIVATE—ASSISTANT GENERAL MANAGER'

LINCOLN & CO. of Hanover Square, W.1.

BUSINESS TRANSFER SPECIALISTS & VALUERS

Specialise in the disposal of:

HOTELS, RESTAURANTS & GUEST HOUSES.

NEWSAGENCIES—TOBACCONISTS—

CONFECTIONERS—VILLAGE STORES—

GROCERY & PROVISION BUSINESSES.

GARAGES & FILLING STATIONS.

LONDON OFFICES:

9 HANOVER SQUARE, W.1

Tel: GROsvenor 6801 (10 lines)

WEST OF ENGLAND OFFICES

178 HOLDENHURST ROAD, BOURNEMOUTH

Tel: Bournemouth 1551 (5 lines)

PRICE WATERHOUSE and Co. have vacancies for young qualified accountants who wish to acquire a wide and varied experience. Good starting salary and excellent prospects. Opportunities to transfer abroad in due course. Write to 3 Fredericks Place, Old Jewry, London, E.C.2.

ST. PAUL'S AGENCY

160 Cheapside, London, E.C.2. MET 8533
150 Fenchurch St. London, E.C.3. MIN 9791.

Chartered Accountants ... £800—£1,000

Auditors with Tax Experience £700—£900

Semi-Seniors £500—£800

Juniors for Articles £4.5.0

No Fees To Staff

TAXATION ASSISTANT for City Chartered Accountants. Excellent prospects. Pension scheme. Commencing salary from £1,000 p.a. Apply Box No. 187, c/o ACCOUNTANCY.

VACANCIES available for qualified Accountants in South America, West Indies, Rhodesia, Kenya, Far East and the Continent. Call **BOOTH'S AGENCY**, 80 Coleman St., Moorgate, E.C.2.

ARTICLED CLERKS

A **YOUNG** graduate from Pakistan, exempted from prelim., seeks chartered articles anywhere in U.K. **SH. RIAZ AHMED**, 15 Chesham Place London, S.W.1.

PRACTICES AND PARTNERSHIPS

PARTNERSHIP keenly sought by young north-east Chartered Accountant with good professional experience. Any locality considered. Write to Box No. 183, c/o ACCOUNTANCY.

HOTELS

FOR THAT EXAMINATION IN LONDON!

Stay at the **BONNINGTON HOTEL**

All rooms with central heating, telephone and radio

Fully Licensed

Room and Breakfast 32/6

BONNINGTON HOTEL, SOUTHAMPTON ROW

W.C.1. Tel. HOLborn 6525

MISCELLANEOUS

Accountancy Tutors Ltd.

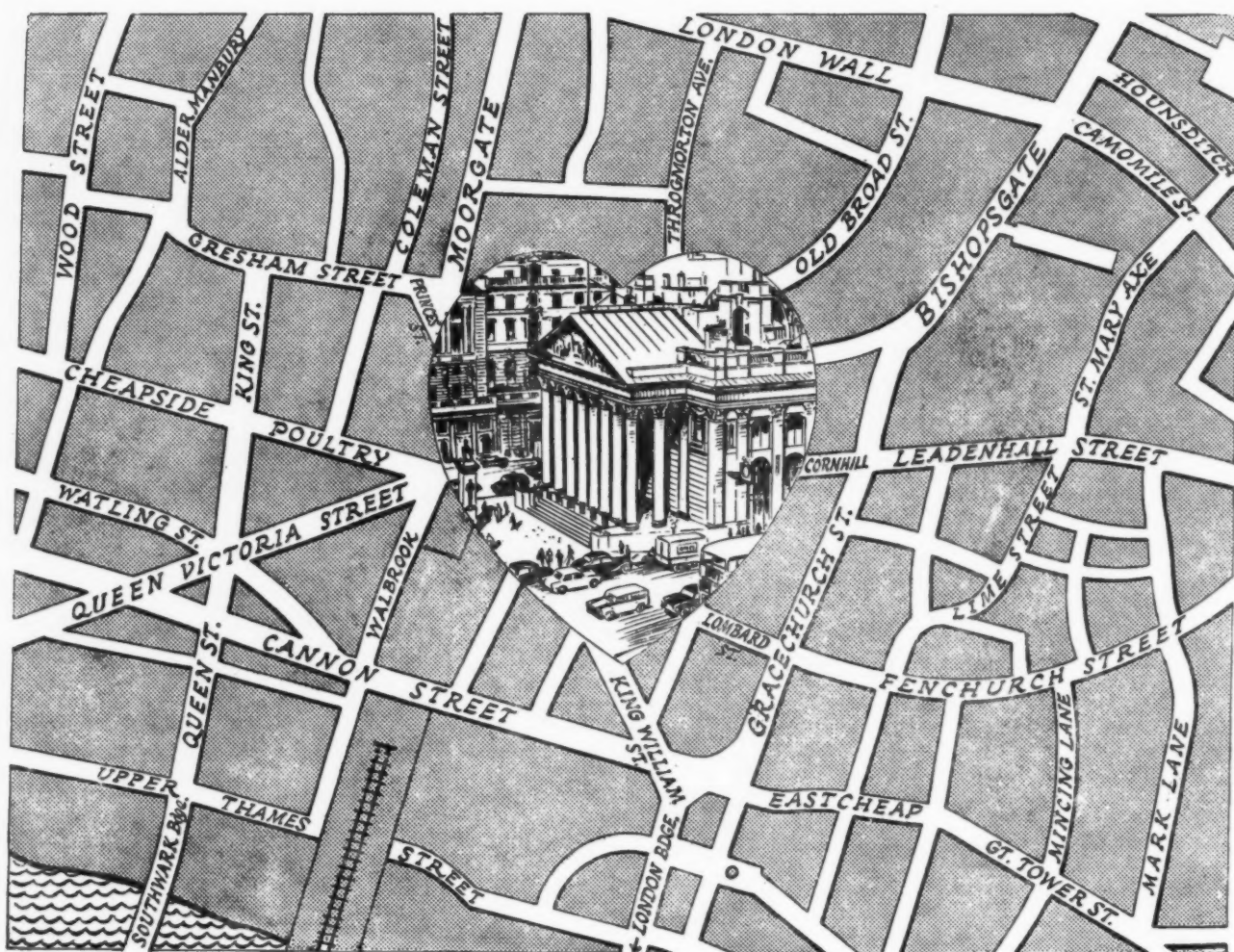
Offer private tuition by arrangement to Articled Clerks preparing for the examinations of the Institute Inter. and Final. Apply to the **Director of Studies**, 63 Lincoln's Inn Fields, London, W.C.2. (HOLborn 3676.)

ACCOUNTANTS' NAME PLATES engraved in Bronze with Ceramic Cream Enamel lettering. Leaflet post free with full-size proof on receipt of wording. **G. MAILE & SON LTD.**, Engravers, 367 Euston Road, London, N.W.1. (EUSon 2938).

E. P. HOARE, F.V.I. Stocktaker/Valuer, 40 Birchington Road, London, N.8. Telephone MOUNview 3136.

MEETINGS—A Conference Hall, seating up to 480 and smaller rooms are available for company and other meetings. Apply Secretary, **THE CHARTERED INSURANCE INSTITUTE**, The Hall, 20 Aldermanbury, London, E.C.2.

NAME PLATES FOR ACCOUNTANTS, in bronze, brass and plastics. Send wording and size for free estimate and layout to **ABBEY CRAFTSMEN LTD.**, Abbey Works, 109a Old Street London E.C.1. Tel. CLERkenwell 3845.



THE ROYAL EXCHANGE IS 'IN INSURANCE'

From its head office in the centre of the City of London the Royal Exchange Assurance transacts the business of insurance—as it has done for nearly two hundred and fifty years. Life Policies, Endowment Policies, Personal Accident Policies, Fire Policies, Home Policies . . . all are within the scope of the 'Royal Exchange'. Within the scope, too, of the Accountant who chooses to represent this famous organisation, one of the oldest and best respected Offices in the world. We should be very pleased to send you details of our service if you will write to us.

ROYAL EXCHANGE ASSURANCE

Incorporated by Royal Charter in 1720

HEAD OFFICE: ROYAL EXCHANGE, LONDON, E.C.3

BRANCHES THROUGHOUT THE UNITED KINGDOM